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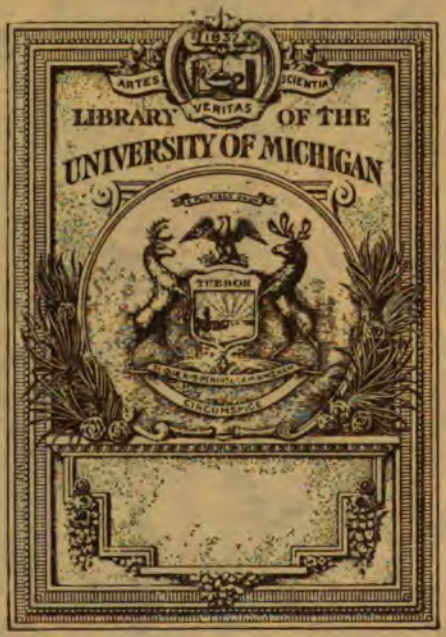

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TARIFF HEARINGS

BEFORE THE COMMITTEE ON WAYS AND MEANS
OF THE HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

VOL. VIII

APPENDIX

WASHINGTON
GOVERNMENT PRINTING OFFICE
1909

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COMMITTEE ON WAYS AND MEANS,

House of Representatives.

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TABLE OF CONTENTS.

Volume I: Page.

MEMBERS OF COMMITTEE ON WAYS AND MEANS, 60TH AND 61ST CONGRESSES II
PREFACE III
REMARKS BY THE CHAIRMAN V
SCHEDULE A—Chemicals, Oils, and Paints 1–579
SCHEDULE B—Earths, Earthenware, and Glassware 581–1044

Volume II:

SCHEDULE B (continued)—Earths, Earthenware, and Glassware 1045–1310
SCHEDULE C—Metals, and Manufactures of 1311–2170

Volume III:

SCHEDULE C (continued)—Metals, and Manufactures of 2171–2834
SCHEDULE D—Wood, and Manufactures of 2835–3248
SCHEDULE E—Sugar, Molasses, and Manufactures of 3249–3513

Volume IV:

SCHEDULE F—Tobacco, and Manufactures of 3515–3604
SCHEDULE G—Agricultural Products and Provisions 3605–4333
SCHEDULE H—Spirits, Wines, and Other Beverages 4335–4452
SCHEDULE I—Cotton, and Manufactures of 4453–4636

Volume V:

SCHEDULE J—Flax, Hemp, and Jute, and Manufactures of 4637–4976
SCHEDULE K—Wool, and Manufactures of 4977–5767

Volume VI:

SCHEDULE L—Silks, and Silk Goods 5769–5876
SCHEDULE M—Pulp, Papers, and Books 5877–6389
SCHEDULE N—Sundries 6391–6790

Volume VII:

SCHEDULE N (continued)—Sundries 6791–7339
FREE LIST AND MISCELLANEOUS 7341–7739

Volume VIII:

APPENDIX 7741–8425

Volume IX:

GENERAL INDEX.

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APPENDIX

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APPENDIX

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APPENDIX.

SCHEDULE A—CHEMICALS, OILS, AND PAINTS.

ACETIC ACID ANHYDRIDE.

[Paragraph 1.]

THE WARNER CHEMICAL COMPANY, WEST CHESTER, PA., STATES THAT ACETIC ANHYDRIDE HAS BEEN AND CAN BE COMMERCIALLY MADE IN THIS COUNTRY.

WEST CHESTER, PA., *January 2, 1909.*

Hon. S. R. PAYNE,
Chairman Committee of Ways and Means,
Washington, D. C.

MY DEAR SIR: My attention has just been called to the testimony of O. T. Zinkeisen, chemical importer, New York City, before your committee in reference to duty on acetic anhydride, which under the present tariff carried a duty of 25 per cent ad valorem, but by Tariff Decision 26400 duty was assessed at 2 cents per pound.

Mr. Zinkeisen states that "not a pound of acetic anhydride has ever been made in this country which was sold in the open market."

In reply to this, I would state, as manager of the Chesco Chemical Company and its successor, The Warner Chemical Company, I have made and sold in the open market many tons of this chemical, and by the manufacture and sale assisted in the development of several of the industries to which reference is made.

Mr. Zinkeisen further states that it is highly improbable that this chemical will be successfully made in the United States for the reason that a special chemical must be used, which is not, and probably will not, be made here for a long time to come.

In reply to this I would state that all of the chemicals used by us for the manufacture of acetic anhydride were made by ourselves or others from domestic material, and it was not then and is not now necessary to import any chemicals to produce this article.

After the duty was lowered we found we could not manufacture the goods in competition with the German manufacturers, so we shut down that part of our plant, and imported through Mr. Zinkiesen, from Germany, sufficient acetic anhydride to fill our orders.

Certain parties are now ready to resume the manufacture of these goods if the duty is restored to the old rate, and I respectfully ask your committee to restore the rate of 25 per cent ad valorem.

Respectfully, yours,

T. FRANK WOODSIDE,
The WARNER CHEMICAL CO.

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EXHIBIT B.

141 BROADWAY, NEW YORK, *June 29, 1905.*

DEAR SIR: We beg to advise you that we can now offer the following goods in quantities to suit the purchaser, from 1 pound to 10,000 pounds: Phosphorus, stick, selected; phosphorus trichloride, phosphorus pentachloride, phosphorus oxychloride, acetyl chloride, acetic anhydride, acetic ether, butyric ether, amyl acetate, amyl butyrate.

We would be pleased to receive your inquiries for any of these goods and will take pleasure in forwarding samples and quotations. Special prices on larger contracts.

Respectfully, yours,

THE WARNER CHEMICAL CO.,
T. FRANK WOODSIDE, *Secretary.*

BORACIC ACID, BORAX, AND BORATES.

[Paragraphs 1 and 11.]

THE STERLING BORAX COMPANY, OF CALIFORNIA, SUGGESTS A FIFTY PER CENT REDUCTION IN THE DUTIES ON BORAX, BORACIC ACID, AND BORATES.

CHICAGO, ILL., *March 1, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Referring to the tariff on borax, boracic acid, and borates, I would advise that the Sterling Borax Company, of California, of which I am vice-president, considers that the duties on the above articles could be scaled down to 50 per cent of the figures in the present tariff, and that if so amended the duties would give sufficient protection for the American industry. Our company owns extensive mines in California as well as controlling factories in Chicago and New Brighton, Pa., and we are absolutely independent of any other borax company. We need a certain amount of protection against the foreign article, both from a mining as well as a manufacturing standpoint. We must bring our ores by rail across the continent, as against the South American ores, which are more easily mined and are close to the seaboard. The bulk of the European borax is manufactured from this South American ore. Furthermore, we need a measure of protection for our factories in Illinois and Pennsylvania as against the English and continental manufacturers of borax. This proposed 50 per cent reduction would then give us the following rates of duty:

		Cents
Borax and boracic acid	per pound	2½
Borax containing more than 36 per cent anhydrous boracic acid	do	2
Borax containing less than 36 per cent anhydrous boracic acid	do	1½

This letter will come to you through the kindness of Congressman Boutell, of your committee.

Yours, respectfully,

STEPHEN T. MATHER,
Vice-President Sterling Borax Company.

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LACTIC ACID.

[Paragraph 1.]

THE HELBURN CHEMICAL COMPANY, NEW YORK, FILES ADDITIONAL BRIEF FAVORING DUTY-FREE LACTIC ACID.

356 PEARL STREET,
New York, January 21, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Referring to our letters of November 11 and 12, 1908, we beg to say that we have made further investigations in reference to this product, and herewith take the liberty to furnish you with more data and facts, which no doubt will be of interest to your honorable body and probably induce you to place lactic acid on the free list or reduce the duty on same.

Referring to the bound reports of the Oil, Paint, and Drug Reporter, whose offices are located at No. 100 William street, New York City, we find that there has been exported lactic acid from the port of Boston to Liverpool and other foreign ports by the domestic manufacturers of this product, from January 5, 1905, to December 18, 1908, 1,398 barrels of lactic acid 50 per cent, at the average weight of 600 pounds net per barrel, approximating 838,800 pounds of lactic acid 50 per cent.

The imports of lactic acid, beginning January 1, 1905, to October 23, 1908, were 232 barrels, average weight 500 pounds, approximating 116,000 pounds.

The exports of lactic acid, as stated above, namely, 838,800 pounds, do not include the exports from New York City to Liverpool, etc., which, if added to the above-mentioned figure, would make the total quantity of lactic acid exported from this country to foreign ports in Europe at least 1,000,000 pounds during the above-mentioned period. You will therefore observe that the amount of lactic acid exported from this country is at least eight times that which is imported from Europe to this country.

It proves that the domestic manufacturers of lactic acid do not need any protection, as they compete with the foreign manufacturer in the foreign territory, and further proves that the claim which the representative of the domestic manufacturers makes, namely, that they are unable to compete with the higher grades or rather stronger grades of lactic acid, is not borne out by facts, when such quantities of the domestic lactic acid are sent abroad. In addition to the European exports of lactic acid by the domestic manufacturers an additional quantity is sent by rail to Canada, where they also compete with the foreign manufacturer of this article.

We beg to add the following statement: An officer of our company, who was formerly connected in the capacity of selling agent for the domestic manufacturers, states that the cost of manufacturing lactic acid, 22 per cent, is 1½ cents per pound, which claim he bases upon his knowledge that at the time of his connection with one of these manufacturers of lactic acid they made a 28 per cent strength, the cost of which was calculated at 2 cents per pound. Since then they have reduced the strength to 22 per cent and have formed a combina-

tion with other manufacturers of this product. They control the domestic product and no consumer of lactic acid can purchase any except direct from this combination of lactic acid interests.

The output or sales of this combination is nearly 4,000,000 pounds of lactic acid per annum, which increased output, in connection with the lower strength, namely, 22 per cent, which they now manufacture, reduces cost to 1½ cents per pound.

Can there be any question as to whether the duty on lactic acid should be increased or decreased? Surely the course seems to point one way, namely, the latter, and in proof of our claims we urgently call your attention to the small imports against large exports. The domestic manufacturers do certainly compete with the German manufacturer, as the domestic manufacturer competes with the German manufacturer in foreign territory, as, for instance, England, where the domestic manufacturers advertise their product through their selling agent at Bradford, England, at which point the domestic product is sold and distributed over English territory; furthermore, the lactic acid shipped from this country to England is 50 per cent strength, the same which the Germans ship into England, which proves that the American manufacturers can make and concentrate a higher strength lactic acid when they feel inclined to do so. This proves that the domestic manufacturer does make a high strength of lactic acid, and contradicts the claim or assertion of their representative, that they make a lower grade, and that the foreign-made higher grade should be put on a higher rate of duty.

In conclusion we claim that the domestic manufacturers offer and sell their product in Europe and Canada at a lower figure than they are selling their product to the consumers in the United States, and do compete very favorably with lactic acid manufacturers on their own or foreign territory.

Will the domestic manufacturer explain to your honorable body, by opening their books, and show their large exports of lactic acid from Boston to Liverpool, or to their advertised agent in Bradford, England? We hardly think so.

Trusting you will give this matter your kind attention, we are,

Most respectfully, yours,

HELBURN CHEMICAL COMPANY,
VICTOR H. BERMAN, *Secretary.*

S. SAXE, NEW YORK CITY, PRESENTS FIGURES TO SHOW THAT LACTIC ACID NEEDS NO INCREASE OF DUTY.

107 MANHATTAN AVENUE,
New York, February 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: Alan A. Claflin, president of the Avery Chemical Company, of Boston, Mass., manufacturers of lactic acid; also president of the Lactic Process Company, of New York City, known as the "Lactic Acid Trust," comprising the three manufacturers of lactic acid in the United States, appeared before your committee on behalf of him-

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self and his associates on November 11, 1908, asking for a higher duty on lactic acid, which now has a high protective duty of 3 cents per pound.

Mr. Claflin is credited with saying in public recently, "That probably 90 per cent of the unwise legislative acts were caused by special interests presenting misleading facts to lawmakers."

This is a most extraordinary statement coming from Mr. Claflin, in view of the very deliberate number of misstatements made by him to your committee, as published on November 11, 1908.

Having been a stockholder and actively associated with the Avery Chemical Company from 1894 to 1903, developing the greatest present use of lactic acid, and again from 1904 to 1907 as stockholder, director, and secretary of the American Acid and Alkali Company, of Bradford, Pa., also manufacturers of lactic acid, therefore thoroughly conversant with the subject, from its manufacturing and selling standpoints, gives me the opportunity of laying before your committee the truthful conditions of this industry.

Mr. Claflin in his evidence before your committee made very many misleading statements, particularly his fear of foreign competition, due to cost of raw material and labor here and abroad.

Dwelling briefly upon the manufacture of lactic acid, will say that this product is made from any vegetable material which will ferment, such as corn, wheat, rye, or glucose, but corn has been found to be the cheapest, which is raised cheaply in our country. Damaged corn, for which there is a limited market, has been used for years by the Avery Chemical Company, for damaged grains make equally as good lactic acid and produce a cheaper article than good quality of grains.

Mr. Claflin underrated the consumption just 100 per cent. As to the question of labor, it practically amounts to nothing, as the whole process is a fermenting one, and a half dozen wage-earners can produce the total amount Mr. Claflin gave you as the annual production.

The point which I desire more particularly to bring to your notice is the attempt on the part of Mr. Claflin to mislead your committee into believing that the American manufacturers of lactic acid require a higher protective duty than now in force under the Dingley bill, which is 3 cents per pound.

The actual cost of producing lactic acid of commerce to-day in the United States is 1½ cents per pound, consequently under the Dingley Act it has a protection of 200 per cent. It is being sold at from 3½ to 4 cents per pound, as per inclosed quotations taken from one of the leading tanning papers, and can not be bought outside of the lactic acid trust, which is composed of the Avery Chemical Company, of Boston, Mass.; the Harrison Brothers & Co., of Philadelphia, Pa.; and the American Acid and Alkali Company, of Bradford, Pa.

Mr. Claflin deliberately stated to your committee that he fears for himself and associates the German lactic acid, and I herewith inclose you statement of imports and exports of lactic acid from 1902 to 1908, inclusive (calendar years), calling your particular attention to the very notable fact that the exports (which shows the year, dates, name of steamer, and port of destination) are all shipments solely from Boston by the Avery Chemical Company, of which Mr. Claflin is president.

You will note that his company exported about four times as much as the total imports into the United States; and the figures given

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are outside of exports to other countries from the port of New York, some having gone to Australia, South America, India, Italy, and a goodly percentage to Canada.

The bulk of the exports went to England, consigned to Ernest Hickson, of Bradford, England, who is the accredited agent of the Avery Chemical Company, as per inclosed advertisement, taken from one of the English papers.

Mr. Claflin's company has been able to compete very successfully in England against the German manufacturers since 1895. If you will carefully read the summary giving the list of imports and exports, you will readily see how much greater the exports were than the imports.

If the Avery Chemical Company has been able to compete in England since 1895 against the German manufacturers of lactic acid, your committee can readily judge whether the present duty of 3 cents per pound is not more protective than is necessary, and, in fact, question why it should not be cut down one-half or the article put on the free list.

I can disprove many of his other statements, and am prepared to verify by data such items as cost of production, labor required, consumption, etc., if your committee so desires.

It is to be regretted when manufacturers are more than necessarily protected that they should not be satisfied without deliberately misleading our lawmakers into advancing their selfishness.

It is also to be regretted, particularly as in this instance, that your honorable committee, who are working hard to frame a fair and just tariff bill, should have been so imposed upon, making the task more difficult and arduous.

However, the data here submitted, showing the excess of exports over the imports, is sufficient to guide your committee as to the creditability of Mr. Claflin's statements, and whether this article is entitled to any protection at all.

At your service,

Very respectfully, yours, S. SAXE.

EXHIBIT A.—*Imports of lactic acid into the United States from 1902 to 1908, inclusive.*

Date.	Steamer.	From—	Barrels.
1902.			
January 3	Statendam	Rotterdam	10
March 21	do	do	5
April 11	Rotterdam	do	8
May 2	Potsdam	do	5
Do	Ryndam	do	5
June 13	do	do	5
August 22	do	do	10
August 29	Rotterdam	do	10
October 3	Noordam	do	25
October 31	Ryndam	do	25
Imported, 1902			108
1903.			
January 9	Amsterdam	Rotterdam	20
March 27	Statendam	do	18
Do	Patrician	Hamburg	10
May 22	Potsdam	Rotterdam	20
August 14	Statendam	do	4
Imported, 1903			72

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EXHIBIT A.—*Imports of lactic acid into the United States from 1902 to 1908, inclusive*—Continued.

Date.	Steamer.	From—	Barrels.
1904.			
January 8	Rotterdam	Rotterdam	10
February 26	Statendam	do	20
March 11	Amsterdam	do	10
April 1	Kroonland	Antwerp	10
April 29	Noordam	Rotterdam	10
May 20	Rotterdam	do	10
September 23	Noordam	do	10
December 2	Ryndam	do	10
December 30	Saestdyk	do	20
Imported, 1904			110
1905.			
January 27	Amsterdam	Rotterdam	10
March 3	Ryndam	do	10
March 31	Statendam	do	15
May 26	Potsdam	do	16
September 22	Noordam	do	10
Imported, 1905			61
1906.			
January 12	Noordam	Rotterdam	10
August 10	Finland	Antwerp	5
November 2	do	do	10
Imported, 1906			25
1907.			
January 11	Vaterland	Antwerp	10
February 21	Finland	do	10
August 2	Sloterdyk	Rotterdam	10
October 26	New Amsterdam	do	10
December 20	Ryndam	do	10
Imported, 1907			50
1908.			
January 10	Amsteldyk	Rotterdam	10
March 13	Noordam	do	10
April 3	Ryndam	do	10
May 8	Pennsylvania	Hamburg	1
June 5	President Lincoln	do	14
June 12	Ryndam	Rotterdam	10
July 24	Jelunga	do	2
September 18	Patricia	Hamburg	20
October 23	Augusta Victoria	do	25
Imported, 1908			102

Exports of lactic acid from the United States to Europe, 1902 to 1908, from port of Boston.

Date.	Steamer.	To—	Barrels.
1902.			
January 3	Sachem	Liverpool	5
January 17	Sagamore	do	17
January 31	Kansas	do	20
February 7	Sachem	do	17
February 28	Norseman	do	15
March 14	Kansas	do	10
May 2	Sagamore	do	12
May 16	Cambrian King	Antwerp	10
May 30	Commonwealth	Liverpool	23
June 6	Saxon King	Rotterdam	20
July 25	Saxonia	Liverpool	20
August 1	Buenos Ayres	Glasgow	5
September 12	Sachem	Liverpool	16
October 10	Michigan	do	10
December 5	Victorian	do	15
Exported, 1902			215

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Exports of lactic acid from the United States to Europe, 1902 to 1908, from port of Boston—Continued.

Date.	Steamer.	To—	Barrels.
1903.			
January 9	Cambrian King	Antwerp	21
March 20	Roman	Liverpool	10
March 27	English King	Antwerp	15
May 1	Storm King	do	20
Do	Sachem	Liverpool	15
May 15	Pinemore	Antwerp	20
May 29	Chicago	do	25
Do	Mayflower	Liverpool	12
June 5	Georgian	Manchester	12
June 26	Pinemore	Antwerp	5
July 17	Corean	Glasgow	5
August 29	Ultonia	Liverpool	8
September 4	Sachem	do	2
September 18	Mayflower	do	15
October 9	Sachem	do	24
Exported, 1903			199
1904.			
January 15	Sylvania	Liverpool	6
February 12	Cretic	do	10
February 19	Republic	Genoa	15
March 27	Cestrian	Liverpool	10
April 1	Sagamore	do	10
Do	Kingstonian	Antwerp	15
April 29	Sachem	Liverpool	20
May 6	Pommeranian	Glasgow	5
June 10	Sylvania	Liverpool	10
Do	Sachem	do	10
Do	Cretic	do	10
June 17	Oakmore	Antwerp	40
July 8	Sylvania	Liverpool	10
August 5	Cretic	do	20
September 2	Sachem	do	30
October 21	Saxonia	do	5
October 28	Oakmore	Antwerp	20
November 11	Sylvania	Liverpool	23
December 30	Cymric	do	15
Exported, 1904			284
1905.			
January 6	Oakmore	Antwerp	21
February 17	Sagamore	Liverpool	10
March 10	Oxonia	Antwerp	15
March 17	Sachem	Liverpool	10
Do	Romanic	Genoa	8
March 24	Sagamore	Liverpool	17
April 7	Michigan	do	10
Do	Canopic	Genoa	20
Do	Kingstonian	Antwerp	10
May 12	Michigan	Liverpool	12
May 19	Cymric	do	18
June 2	Sagamore	do	18
Do	Saxonia	do	6
July 14	Sagamore	do	12
July 21	Michigan	do	30
August 11	Sachem	do	5
Do	Canadian	do	20
November 17	Cymric	do	20
December 14	Ivernia	do	10
December 8	Sachem	do	27
December 22	Manitou	Antwerp	39
Exported, 1905			338
1906.			
January 12	Sachem	Liverpool	22
February 16	Ottoman	do	20
March 2	Cymric	do	20
March 23	Winnefredian	do	15
June 8	Sagamore	do	15
June 15	Michigan	do	5
June 29	Cymric	do	23
August 10	Sachem	do	28
September 7	Arabic	do	12
September 21	Republic	do	10
November 9	Marquette	Antwerp	20
December 14	Arabic	Liverpool	40
Exported, 1906			250

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Exports of lactic acid from the United States to Europe, 1902 to 1908, from port of Boston—Continued.

Date.	Steamer.	To—	Barrels.
1907.			
January 11	Michigan	Liverpool	37
February 15	Devonian	do	40
March 2	Sachem	do	34
March 15	Marquette	Antwerp	17
April 12	Cymric	Liverpool	29
April 19	Bohemian	do	20
May 3	Michigan	do	15
July 19	Anglican	do	20
August 2	Sagamore	do	41
September 6	Republic	do	60
September 20	Cymric	do	43
October 18	Sachem	do	77
Exported, 1907			433
1908.			
January 17	Michigan	Liverpool	32
January 31	Sachem	do	30
February 20	Michigan	do	28
March 20	Sagamore	do	2
May 22	Marquette	Antwerp	20
July 2	Cymric	Liverpool	15
July 10	Michigan	do	5
July 24	Ivernia	do	15
August 14	Republic	do	29
August 28	Michigan	do	20
September 18	Sachem	do	20
September 25	Menominee	Antwerp	20
October 9	Republic	Glasgow	34
Exported, 1908			270

RECAPITULATION.

Year.	Imports.	Exports.[a]
	Barrels.	*Barrels.*
1902	108	215
1903	72	199
1904	110	284
1905	61	338
1906	25	250
1907	50	433
1908	102	270
	528	1,989

[a] Only from Boston.

The figures submitted were taken from the manifests published weekly by the Oil, Paint and Drug Reporter, the recognized standard chemical trade paper, and only those from the port of Boston.

Other exports to Australia, India, and South America, etc., are not given in this report, having gone through the port of New York.

Canadian exports not given, but total more than American imports from Europe.

Boston in addition exported a very large number of 100-pound kegs, but figures are omitted from this report.

Practically four times the amount exported to Europe alone than is imported, exclusive of exports to Canada and other countries.

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OXALIC ACID.

[Paragraph 464.]

THE AMERICAN ALKALI AND ACID CO., BRADFORD, PA., SUBMITS STATEMENT OF COST OF MAKING OXALIC ACID.

BRADFORD, PA., *February 17, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

GENTLEMEN: In the year 1903 a new American industry was started with the erection of a large factory for the manufacture of oxalic acid by the American Alkali and Acid Company, in the city of Bradford, McKean County, Pa., and after all these years spent in experiments which many times met with disappointment, we have at last brought our factory to a successful operation; our factory now having a capacity of 10,000 pounds per day of the finest quality of oxalic acid produced in the world.

We append hereto a statement of the cost of labor, etc., in the manufacture of oxalic acid, as compared with the cost of producing the same goods in foreign countries, calling your attention to the fact that we have no import duty on these goods, while the several foreign countries manufacturing the goods have duties which prohibit us exporting oxalic acid and entering into competition with them.

In view of the facts herewith set forth, and of the further arguments which can be brought to your attention, we trust you will find sufficient grounds for recommending to Congress the granting of our request for a duty on oxalic acid and its by-products duly set forth in our statement appended hereto.

The American Alkali and Acid Company, of Bradford, Pa., incorporated under the laws of the State of Pennsylvania, was organized for the purpose of manufacturing oxalic acid, and 13 large buildings, covering nearly 6 acres of land, were built and equipped to this end, at a cost of $300,000.

Up to the time the plant of the American Alkali and Acid Company was put in operation oxalic acid and its by-products had never been manufactured in the United States in a commercial way, all of the oxalic acid and its by-products consumed in this country having been imported from Germany, England, Norway, Belgium, and Austria.

The following countries have imposed the following import duties on oxalic acid and its derivatives, bioxalate of potash, oxalate of potash, and oxalate of ammonia:

Germany (tariff No. 5):
- Oxalic acid, salts of oxalic acid, 8 marks per 100 kilos.

Russia (tariff No. 112):
- Chemical and pharmaceutical products—
  - Not especially mentioned, 2.40 rubles per pood.
  - Conventional duty, 1.50 rubles per pood.

Spain (tariff No. 139):
- Chemical products not especially mentioned—
  - Imports from the United States, 0.12 peseta per kilo.
  - Imports from favored nations, 0.10 peseta per kilo.

France (tariff No. 238):
- Oxalic acid—
  - Imports from the United States, 15 francs per 100 kilos, net weight.
  - Imports from favored nations, 12.50 francs per 100 kilos, net weight.

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Austria-Hungary (tariff No. 324):
Oxalic acid and oxalate of potash, 4 florins per 100 kilos.
Italy (tariff No. 31r):
Acids not especially mentioned, 10 lire per quintal.
England: Free; no duty.
Belgium: Free; no duty.

NOTE.—1 mark equals 23.8 cents, 1 rouble equals 51.5 cents, 1 peseta equals 19.3 cents, 1 franc equals 19.3 cents, 1 florin equals 48.225 cents, 1 lire equals 19.3 cents, 1 kilogram equals 2½ pounds, 1 poud equals 36$\frac{3}{10}$ pounds, 1 quintal equals 100 kilograms.

These duties reduced to American money give the following:

	Cents per pound.
Germany: Duty	0.867
Russia:	
Chemicals not especially mentioned—	
Duty	3.424
Conventional duty	2.112
Spain:	
Imports from the United States	1.052
Imports from most favored nations duty	.877
France:	
Imports from the United States	1.316
Imports from most favored nations	1.096
Austria: Duty	.877
Italy: Acids not especially mentioned	.877

Below is a list of the acids imported into the United States and their respective duties, etc., for the fiscal year ending June 30, 1904:

Name.	Duty.	Quantity.	Remarks.
	Cts. per pound.	*Pounds.*	
Acetic S. P	2	52,914	Produced here; protected.
Tartaric	7	5,188	Do.
Chromic and lactic	3	82,900	Do.
Boracic	5	721,532	Do.
Citric	7	5,546	Do.
Gallic	10	8,000	Do.
Oxalic	Free.	6,726,159	Not protected here; imported.
Arsenious	Free.	853,636	Not produced here; protected.
Carbolic	Free.	2,639,481	Do.

All others not especially provided for, 25 per cent duty.

It will be noticed from the above that the article oxalic acid is imported in larger quantities than any other acid; also that this article is now produced in this country and that it is admitted free of duty. The amount of oxalic acid imported free of duty in the fiscal year ending June, 1908, was 8,500,000 pounds.

The most important difficulty in manufacturing oxalic acid in the United States is the lack of labor skilled in this line and the extreme difference in wages paid in this country and those of Europe where oxalic acid is manufactured. Below is a comparison between the wages paid in the United States and in Germany for the same class of labor on the same work, based on figures made by a former superintendent of the Koepp Oxalic Acid Works, in Oestrich, Germany, which is the largest plant of its kind in the world, its annual output being 4,500,000 pounds, being about one-half of the American imports for the past year, as per statistics from the Department of Commerce and Labor.

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Wage scale.

	Germans.	Americans.	Difference in favor of Germans.
Pay per hour	$0.06½	$0.17½	$0.11
Pay per day	.77	2.10	1.33
Pay per week	4.62	12.60	7.98

Comparative pay rolls between German and American factories of the same capacity.

	Germans.	Americans.	Difference in favor of Germans.
Total pay roll per day	$154.00	$420.00	$266.00
Total pay roll per week	924.00	2,520.00	1,596.00
Total pay roll per year	48,100.00	131,040.00	82,940.00

This difference in wages of $82,940 in favor of the German manufacturers based on a yearly production of 4,500,000 pounds, gives:

	Cents.
Difference in cost of labor per pound of oxalic acid	1.84
Interest on excess capital necessary for labor	.16
Extra cost per pound of oxalic acid for common labor in the United States	2.00

The cost of labor of chemists, superintendents, engineers, firemen, and factory foremen is as much greater in proportion in this country as that of common labor; therefore to the excess cost of common labor of 2 cents should be added one-quarter of 1 cent per pound, making a duty of 2¼ cents per pound on oxalic acid and its by-products, bioxalate of potash (salts of sorrel), oxalate of potash, and oxalate of ammonia.

This duty of 2¼ cents per pound on oxalic acid, bioxalate of potash, oxalate of potash, and oxalate of ammonia is necessary solely for protecting the difference in cost between American and foreign labor, the cost of materials used in the manufacture of the above-named articles not entering into the calculations.

The oxalic-acid manufacturers of Europe have formed a syndicate or trust, agreeing among themselves to hold the price up in their respective countries. This agreement does not effect the price of acid sold for export to countries not covered by the agreement, and this fact explains why oxalic acid was being sold by brokers in the United States at 6½ cents per pound, while in the foreign countries affected by the agreement the same acid was being sold at 80 marks per 100 kilos or at the rate of $8\frac{65}{100}$ cents per pound.

We most respectfully request the careful consideration of your committee on statement above. We trust we have made clear the necessity for a protective tariff on oxalic acid, owing to the strong syndicate formed by the manufacturers of these goods in Europe, and to their tactics as now practiced, which are and always have been very discouraging to new industries in this country. We, being the sole manufacturers of oxalic acid in America, and having brought the manufacture of the goods to a successful commercial basis, we el that we are justified in asking for a protective tariff.

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We respectfully ask that you recommend to the Congress of the United States that a tariff of 3 cents per pound be placed on oxalic acid and its by-products.

Respectfully submitted.

AMERICAN ALKALI AND ACID COMPANY,
By LEWIS EMERY, JR., *President.*

PERFUMERY.

[Paragraph 2.]

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY ON BEHALF OF THE FRENCH PERFUMERY IMPORTERS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to respectfully submit to your honorable body the following considerations:

Articles of perfumery, upon their entry into the United States, are divided into two classes by the customs act: First, products non-alcoholic, subject to a duty of 50 per cent ad valorem; second, alcoholic products, subject to two duties, (*a*) 60 cents per pound; (*b*) 45 per cent ad valorem.

Yet these heavy duties are, in practice, subject to a further duty that the Unites States customs levy on what they call the home price.

The greater part of French firms manufacturing perfumery and selling their products in France and in foreign countries have to mention two prices in their catalogues because of the tax on alcohol in France; one of these prices, called price for foreign countries, gives the value of the product; the other intended for France, or home price, gives the selling price in France, the same comprising the value of the product together with the duty on alcohol in France. For instance:

Roger & Gallet, 1151, 1 dozen Eau de toilette Violette de Parme: Price for foreign countries, 20 francs; price in France, 23 francs. French tax on alcohol contained in this article, 3 francs; value of this article, 20 francs; price in France, 23 francs.

This difference in price represented by the amount of tax is purely nominal, for when we sell to a client in France we sell to him under the internal-revenue tax régime. We, being the shippers, remain jointly responsible for the taxes, if the consignee does not pay them, or if he fails to comply with the formalities which fall to his charge on receipt of the goods. Not one penny of these taxes comes to us, nor do said taxes necessitate the circulation of any special funds on our part. We have shown on our price lists the price for France, which indicates to our clients the taxes that the State claims from them, and that they must pay before taking delivery of the goods. Therefore, these taxes can not constitute for the manufacturer a higher selling price or a greater profit. In other words, we have only one price.

In spite of this evidence the American customs have always considered the price for France as being the home market value and have calculated the 45 per cent ad valorem on this price.

So far, the most justified protests have not succeeded in overcoming this arbitrary and final decision of the American customs. We have never been able to understand why our explanations have not been accepted, and we are thus placed in a most peculiar situation, since all our consular invoices made out in conformity with our selling prices are considered by the United States customs as undervalued because the home price arbitrarily adopted by them is superior to the price paid by the client.

As a matter of fact, the amount of the tax added to the value of an article does not increase the market value of said article. When an American whisky merchant sells a bottle of whisky in his own country he sells it at a price "A," which comprises the value of the whisky together with the internal-revenue tax on the whisky, but the total value of the product is not equal to the price "A." Witness the fact that when the same merchant sells the same bottle of whisky to the export trade, in France, for instance, he sells it at a price "A" less the internal-revenue tax, or at a price "B," which constitutes the home market value of the article. The difference represents a tax, just as in our tariff the apparent difference between the two prices also represents a tax.

The American customs levy a tax on a local duty imposed by a foreign country, whilst in political economy the value of a product is not constituted by the tax or taxes imposed thereon. The United States is the only country which obliges us to put the home price on our invoices.

In regard to the duties themselves we can not but remark how very high they are.

Concerning the nonalcoholic products, we have figures to go by, and these are so eloquent in themselves that they need no comment. Yet it is not so for the alcoholic products, for the latter are subject to two duties: First, 45 per cent ad valorem; second, 60 cents per pound liquid contents.

The latter tax of 60 cents per pound is, in our opinion, an exaggerated overcharge, which you will readily admit, we imagine, if you consider the position in which the importers find themselves as compared with the American manufacturers regarding the duties on the alcoholic products.

An alcoholic product imported pays 45 per cent of its value plus 60 cents per pound, or 6.85 francs per liter, whatever may be the degree of alcohol of the article.

Naturally, the American manufacturers pay nothing on the value of the article, but they pay a different duty on the alcohol, and we think this matter calls for careful consideration.

In America the internal-revenue tax is equal to $1 per proof spirits gallon, or 3.02 francs per liter of pure alcohol at 100°. The tax diminishes in proportion to the degree of alcohol employed.

Consequently there is a considerable disproportion (almost threefold) between the duties on the alcohol whether employed by American manufacturers or contained in foreign manufactures. To establish a serious basis of discussion we ask to pay the tax on alcohol on its entry into the United States at the same rate as the American manufacturers, i. e., according to the degree of alcohol used, commencing with a maximum of 3.02 francs per liter of pure alcohol (100°), or $1.10 per gallon proof spirit, according to the definition of the internal-revenue tax. We must not forget that the tax of 60

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cents per pound is imposed in addition to another duty of 45 per cent ad valorem. For alcoholic products such as the following we pay taxes which amount to more than 100 per cent of the value of the article.

First exhibit: Roger & Gallet; 1151; 1 dozen Eau de toilette Violette de Parme, France, 23 francs; foreign countries, 20 francs. Net value, all discounts deducted, 15.83 francs.

Duties:	Francs.
First, 45 per cent on 23 francs, less the discounts, or 45 per cent on 18.20 francs	8.19
Second, 60 cents per pound on 2.965 pounds	9.20
Total amount of duties	17.39

The article being worth 15.83 francs, the percentage of duties amounts to 109.85 per cent.

Second exhibit: Roger & Gallet; 1269; 1 dozen Eau de quinine, France, 26.40 francs; foreign countries, 21 francs. Net value, all discounts deducted, 16.62 francs.

Duties:	Francs.
First, 45 per cent ad valorem on 26.40 francs, less the discounts, or 45 per cent on 20.90 francs	9.40
Second, 60 cents per pound on 5.80 pounds	18.02
Total amount of duties	27.42

The article being worth 16.62 francs, the percentage of duties amounts to 165 per cent.

We have chosen the articles that enjoy the largest sale. It is true that on the very high-priced articles which always contain a small volume of alcohol, the tax does not weigh so heavily, but then the additional duty of 45 per cent is very heavy on the high-priced articles for which there is only a very limited number of purchasers.

First of all, we solicit from your honorable body that our price for the export trade, i. e., the real value of the goods be taken as the basis for the duty ad valorem, the way this duty is applied at present being absolutely unfair.

Then we would call the attention of your committee to the excessive duties imposed on the articles mentioned in this report. We request that the alcoholic products on which the duty ad valorem has been paid bear the same duty on the alcohol as the article made in the United States, i. e., that they be taxed according to the degree of alcohol on a basis of $1.10 per gallon proof spirit.

We beg to remind your committee of the extremely moderate duties imposed on foreign perfumery when imported into France, whilst, as they actually stand, we can affirm that the duties collected in the United States on the toilet lotions, eau de quinine, hair lotions, cologne waters, and tooth washes are prohibitive. We think we have proved it clearly enough.

We trust that you will give ample consideration to the foregoing remarks, and that you will realize that they have been dictated to us only by the desire of seeing the exchange of merchandise between both countries placed on a fairer basis than heretofore, which will promote keener competition for the benefit of the consumer and cordial business relations between the United States and France.

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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ARSENIATE OF LEAD.

[Paragraph 3.]

HEMINGWAY & CO., NEW YORK, ASK FOR REDUCTION OF DUTY ON ARSENIATE OF LEAD USED AS AN INSECTICIDE.

133 FRONT STREET,
New York City, February 4, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: On October 31, 1908, Mr. L. A. Coolidge, Assistant Secretary of the Treasury Department, Division of Customs, Washington, D. C., wrote to me advising that arseniate of lead as wet pulp and arseniate of lead as dry powder is assessed with duty as chemical compounds under paragraph 3 of the tariff act at the rate of 25 per cent ad valorem.

I venture to call your attention to the fact that absolutely the only use of arseniate of lead in either pulp or dry powdered form is as an insecticide, and that other insecticides, namely—Paris green and London purple—are specially provided for in the tariff at 15 per cent ad valorem.

I respectfully suggest that, insomuch as agriculturists, horticulturists, and particularly cotton planters, would greatly benefit by a lower rate of duty on wet pulp or dry powdered arseniate of lead, and as the existing tariff on this commodity is for revenue purposes only, that it be assessed with duty at the rate of 15 per cent ad valorem.

Respectfully, FRANK HEMINGWAY.

HON. ROBERT L. TAYLOR, SENATOR, FILES LETTER OF H. A. MORGAN, KNOXVILLE, TENN., ASKING REDUCTION OF DUTY ON ARSENIATE OF LEAD.

SENATE CHAMBER,
Washington, D. C.. February 21, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C

GENTLEMEN: Letter of Dr. H. A. Morgan, Knoxville, Tenn., respectfully referred to committee. Doctor Morgan is a scientific man and his opinion should carry weight.

ROBERT L. TAYLOR.

KNOXVILLE, TENN., *February 17, 1909.*

Senator ROBERT L. TAYLOR,
Washington, D. C.

DEAR SIR: I beg to call your attention to the effort that has been made during the past few years to develop a powdered form of arseniate of lead. This insecticide will have a much wider use than Paris green or London purple and will be especially valuable in the control of fruit, truck, tobacco, and cotton insects in Tennessee.

In the proposed revision of the tariff I understand that Paris green and London purple are scheduled for about 12½ per cent ad valorem, while arseniate of lead remains 25 per cent. If a reduction can be made in the case of arseniate of lead, it will place upon the markets of our State a cheap and most effective insecticide. Anything you can do toward having the tariff on arseniate of lead reduced will, I am sure, be greatly appreciated by the farmers of Tennessee.

With kindest regards, very truly, yours,

H. A. MORGAN,
Director University of Tennessee,
College of Agriculture and Experiment Station.

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C. E. JACKSON, MIDDLETOWN, CONN., WISHES ARSENIATE OF LEAD PLACED ON SAME BASIS AS OTHER INSECTICIDES.

MIDDLETOWN, CONN., *February 25, 1909.*

Hon. E. J. HILL, M. C.,
Washington, D. C.

DEAR SIR: Your kind assistance in reference to the establishment of an experiment station in Mississippi to deal with the boll weevil has been so much appreciated by some of our southern friends that they have asked us to call your attention to another matter which has been called to their attention by Mr. Wilmon Newell, secretary of the State Pest Commission of Louisiana, that is, in regard to the proposed changes in the tariff in regard to Paris green, London purple, and powdered lead arseniate, the duty on all of which now stands at 25 per cent ad valorem, and it is proposed to reduce the duty on Paris green and London purple to about 12½ per cent or 15 per cent ad valorem, leaving the duty on the powdered lead arseniate as it now stands, at 25 per cent.

During the past two years powdered arseniate of lead has been used with excellent success on cotton, and it is stated that it is quite certain that this insecticide will replace Paris green for use in fighting cotton insects, particularly the cotton-leaf worm and cotton boll-worm. It is barely possible also that it will prove more or less effective against the boll weevil, for experiments in this direction are now being conducted with promise of some success.

The powdered arseniate of lead is preferable to Paris green for use on cotton, for the reason that it is cheaper, and also that it contains no soluble arsenious oxide which Paris green contains in amounts varying from 2 to 5 per cent. The high content of soluble arsenic in the Paris green causes it to injure and stunt cotton to which it is applied.

In view of these facts it will undoubtedly be a marked advantage to the southern cotton planters if Congress would reduce the tariff on powdered arseniate of lead to the same basis as that of Paris green and London purple.

Much of the arseniate of lead is manufactured abroad, and American manufacturers are certain to keep up the price so long as this high duty on the imported articles remains in effect, and the farmer will have to foot the bill.

I might add that this same preparation is being used very effectively in spraying shade trees, and has proved most effective in protecting them from the attacks of insects, and in view of the very apparent effectiveness of this article over all others it would seem very advisable that it should be placed in the hands of consumers at as low a rate as is possible, and certainly on an equal basis with other insecticides, so that the increased effectiveness of powdered arseniate of lead may not be offset by the higher cost.

We ask your kind attention and action in this matter with the committee, as we are much interested with our southern friends and correspondents.

Yours, very truly, C. E. JACKSON, *Vice-President.*

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BARIUM SALTS.

[Paragraph 3.]

JOHN T. WILLIAMS & SON, NEW YORK, RECOMMEND SPECIAL CLASSIFICATION FOR VARIOUS SALTS OF BARIUM.

114–116–118 LIBERTY STREET, NEW YORK,
Saturday, January 9, 1909.

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Washington, D. C.

DEAR SIR: Not being advised when your committee will hear arguments as to the increase and decrease of duties on barium salts, we take this opportunity of presenting the matter to you. There have been several attempts in this country to manufacture barium salts, but up to the present time the business has not been found profitable, owing to the fact that the cost of labor, which is a large item of expense, has been too great to successfully compete with these products manufactured abroad. This applies to binoxide of barium, chloride of barium, carbonate of barium, blanc fixe (sulphate of barium), nitrate of barium.

The duty on these salts of barium is 25 per cent ad valorem, except on blanc fixe (the sulphate of barium), which is one-half cent per pound. The carbonate of barium is imported under the name of "witherite" (a native mineral) and comes in free, although there is now a suit between the Government and the importers as to whether the artificial precipitated carbonate of barium should not pay duty as a chemical salt at the rate of 25 per cent ad valorem, but this suit has not yet been decided.

We would respectfully ask your committee to increase the duty on the following salts: Chloride of barium, carbonate of barium, nitrate of barium, blanc fixe or artificial sulphate of barium, satin white or artificial sulphate of lime, to 1 cent per pound, as this would enable the manufacturers of chemicals in this country to produce these articles here in competition with the foreign goods. Over 70 per cent of the entire cost of these articles would be in the labor, including the mining of the ore, the hauling of same, and the working of the ore up into these various chemicals.

Binoxide of barium, another salt of barium, has never been made in this country, and is used for the purpose of producing peroxide of hydrogen. The duty on this salt is 25 per cent ad valorem; the product is only made in Germany and England, and we can not make it here in competition with the conditions existing in those countries. We would respectfully ask that the duty on this material be increased to 40 per cent ad valorem, which would allow of its manufacture here.

We have not gone into the question of the amount of these materials which are imported, as your committee have this data before them, but the value, as you will see by the importations, exceeds the sum of $500,000, and the manufacture in this country would be of advantage, owing to the amount paid out for labar and also to the manufacturing chemists, as it would lead to the production of other material in connection with the salts of barium.

Respectfully submitted.

JOHN T. WILLIAMS & SON,
Per JOHN T. WILLIAMS.

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ESSENTIAL OILS AND OLIVE OIL.

[Paragraphs 3 and 40.]

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE, NEW YORK CITY, ON BEHALF OF THE IMPORTERS OF FRENCH OLIVE OIL AND ESSENTIAL OILS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The importers of French olive oils beg to submit respectfully to your honorable committee the following remarks, and trust that it will give them the proper attention:

We understand that the domestic producers of olive oils have requested your committee to increase the duty on imported olive oils, and, in fact, to double it. They claim that if their request was complied with California could supply the entire demands of the United States, and in their report of November 11 they state that the home production amounts to 350,000 gallons, or about, and they acknowledge that the importation of foreign oils reaches 3,450,000 gallons, or about. Consequently it appears to us very difficult to reconcile their assertion with the facts, as there would only be two ways of arguing their side of the case as presented by them. Either many people in the United States would have to dispense with the use of olive oil—and, as you know, this product is commonly consumed all through the country for table and medicinal purposes, and it is a well-known fact that many invalids, amongst whom are consumptives, are prescribed olive oil by the doctors, as it is quite beneficial in many cases—or the production of California olives would have to increase ten times at once to meet the demand, and everybody knows that the growth of the olive tree is exceedingly slow and that it takes many years to produce olives fit to be employed in the manufacture of oil.

Consequently it would be impossible for the public to procure good olive oil, except at such high prices that very few might afford to pay. The result would be, therefore, that under the denomination of olive oil the public would be literally poisoned by all kinds of concoctions in which the fruit of the olive tree would play but a very small part, and we believe that it has been the purpose of the Government, as shown by the creation of the Bureau of Chemistry, to assure pure food to the consumer, and in the case of olive oil high duties would have exactly the contrary effect.

On the other hand, as we understand that it is the purpose of the Treasury Department to try to increase its revenue from the collection of duties instead of being obliged to resort to direct or indirect taxation, it seems to us that, by reducing the duties on olive oil considerable revenue might be obtained without doing any harm to the home industry, which can only gradually develop and will always find a ready market for its products.

Therefore we would suggest that in consideration of the above remarks your honorable body should take into consideration the advisability of reducing the present duty on olive oils, which amount to 60 francs per 100 kilograms for oil in wood, and 74 francs per 100 kilograms on the value of the oil besides the duty collected on the

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bottles, tins, labels, corks, etc., a duty that has no equivalent in the French tariff on any class of goods.

We would call also the attention of your committee to some essential oils manufactured in France, which are actually taxed at 25 per cent ad valorem, and which are not manufactured and can not be produced in the United States, but which are employed here in large quantities for the soap and perfumery industries, and ought to be considered practically as raw materials. They are: Extracts of rosewood, produced in French Guiana; extracts of geranium, shipped from Tunis and Algeria, or from the Island of Reunion, or from Grasse and Cannes; extracts of myrtle, from the south of France, Corsica, Algiers, and Tunis; extracts of orange flower water and jasmine, from Cannes or Grasse.

We ask that all these raw materials, employed extensively by the home industries, and which do not constitute a competition to any American manufacturers, should be placed on the free list.

Trusting that you will give the above considerations the kind attention which they deserve, in our opinion, we remain, gentlemen,

Respectfully, yours,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

SULPHATE OF AMMONIA.

[Paragraph 5.]

THE SEMET-SOLVAY COMPANY, SYRACUSE, N. Y., WISHES PRESENT DUTY ON SULPHATE OF AMMONIA MAINTAINED.

SYRACUSE, N. Y., *January 12, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We respectfully petition that the specific tariff on sulphate of ammonia be retained at the present figure, on the ground that it is practically a revenue tariff paid by the foreign manufacturer.

COMPARISON CHILEAN NITRATE OF SODA AND SULPHATE OF AMMONIA.

For the purpose of the farmer and the fertilizer manufacturer, Chilean nitrate of soda (on the free list) and sulphate of ammonia are interchangeable, and on the basis of their ammonia or nitrogen content the prices are practically equal. During the calendar year 1907 the imports of nitrate of soda were 364,610 tons; of sulphate of ammonia, 35,220 tons. For the fiscal year ending June, 1908, the imports of nitrate of soda were 330,090 tons; of sulphate of ammonia, 38,273 tons. For nine months of the calendar year 1908 the imports of nitrate of soda were 220,382 tons; of sulphate of ammonia, 22,207, tons.

PRICE OF SULPHATE OF AMMONIA BASED ON CHILEAN NITRATE OF SODA.

Especial attention is called to the fact that, so far as we are able to obtain the information, Chilean nitrate of soda has always been on the free list; that it is always possible, if at any time the price of sulphate of ammonia appears too high to the fertilizer manufacturer,

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to turn to Chilean nitrate of soda, which is on the free list. There was a time when practically no sulphate of ammonia was made in this country, and at that time nitrate of soda was generally used in fertilizers. As the manufacture of sulphate of ammonia grew, it was only with the greatest difficulty that fertilizer manufacturers could be persuaded to substitute it instead of Chilean nitrate of soda. The ratio of nitrogen or ammonia content between sulphate of ammonia and Chilean nitrate of soda is 25 to 19. The price of sulphate of ammonia (25 per cent ammonia) in New York ports at the present time is 2.80 to 2.90 cents per pound, and the price of 95 per cent nitrate of soda 2.20 cents. Reducing the ammonia content in sulphate of ammonia to a price comparative with the price of Chilean nitrate we find the following comparison:

Sulphate reduced to nitrate basis, 2.13 to 2.20 cents; nitrate, 2.20 cents.

Does not this prove that the price is made by Chilean nitrate of soda, and at the same time show that the foreign manufacturer of sulphate of ammonia, who is dumping his excess production in this country, pays the tariff and would be the person benefited if the tariff on sulphate of ammonia were removed?

A point to be borne in mind is that the United States is the outlet for the surplus of sulphate of ammonia produced in Europe. If the tariff were removed it does not appear that the surplus of Europe would be increased, and therefore the stimulus of the production in the United States would be removed, forcing any shortage of nitrogen to be made up by the importation of Chilean nitrate of soda, which is on the free list.

REVENUE TO THE UNITED STATES.

The revenue to the United States from the tariff on sulphate of ammonia for the fiscal year ending June, 1908, was $229,638.

TARIFF ON SULPHATE OF AMMONIA DOES NOT AFFECT THE PRICE.

We submit a table showing the price of sulphate of ammonia commencing at a period long before there were any retort or so-called by-product ovens in the United States, and also showing the tariff on sulphate of ammonia during that period. The comparisons of the lines will show that the movement of prices of sulphate of ammonia does not correspond with the fluctuations of the tariff, proving, therefore, that it has been purely a revenue tariff.

OPERATORS OF RETORT COKE OVENS OR SO-CALLED BY-PRODUCT OVENS.

It has been stated before your committee that the persons interested in producing sulphate of ammonia are the steel men—the men who manufacture coke. A study of the retort coke-oven plants of this country shows that there are 24 such plants. Of these, only 8 are operated by steel or iron companies, so that their profits can be applied to the production of steel or iron. The remaining 16 depend on the returns from the so-called by-products for covering the cost of operation and for their profits, and do not participate in the profits from steel or iron. In addition, a certain amount of sulphate of ammonia is made by gas works and some manufacturers not in any way allied with the steel or iron industry.

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As a general proposition the coke from a retort coke oven is sold at a price equal to the cost of the coal required to make it plus the freight on the coal. There is almost no profit in the coke itself, manufactured in this way, and therefore no margin to pay for labor. Therefore labor and capital must look for their returns from the value received for the so-called by-products. No retort coke oven plant is built without a full consideration of the value to be received from all the products produced from it, and therefore the word "by-product" does not represent an extra profit to be added to the legitimate profit.

HISTORICAL.

The first retort coke ovens built in the United States were constructed in the year 1892, but the tariff acts of 1883 and 1890 carried a duty on sulphate of ammonia, and it can fairly be said that the retort coke oven industry started to grow under the protection of the tariff on sulphate of ammonia.

This growth has been slow, owing to the large amount of capital required in the plant investment as compared with the small amount required in the investment in the wasteful form of coke oven called the "beehive." The reason for this slow growth is that the business has only been moderately remunerative and capital could be employed in other directions which were more remunerative.

NITROGEN FROM THE ATMOSPHERE EXTRACTED BY WASTE-WATER POWER.

At the present time the great future source of nitrogen to restore the decreasing productiveness of our farming lands is from the air produced by the use of our water powers, which are now being wasted in remote places. The attention of scientists all over the world is being given to developing this method, but in order to make it successful capital must be induced to develop these water powers and exploit this method of manufacture. This would make sulphate of ammonia available at points remote from the seaboard and coal-mining districts, but where waste-water power is available. The work of scientists may be given to this process, but it can only be effective by making the industry attractive to capital, and any efforts which may result, directly or indirectly, in reducing the present prices of sulphate of ammonia would work against the development of this highly desirable method of manufacture.

WORK OF THE DEPARTMENT OF THE INTERIOR.

The waste of sulphate of ammonia and tar going on from the distillation of coal in beehive ovens has been contemplated with great uneasiness by the Bureau of Mineral Resources attached to the Department of the Interior. At the present time but 12 per cent of the coal coked is prepared in retort ovens, as against 88 per cent in the wasteful beehive oven. The Department of the Interior has for many years endeavored to stimulate the building of retort coke ovens, in order to conserve the enormous values now being wasted in the manufacture of coke. The returns from retort coke ovens are moderate,

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and at the present time the rate of increase in the building of these ovens has been seriously checked. If, as stated by the interests in favor of the removal of the duty on sulphate of ammonia, the price will decrease to an amount of the duty, it can be seen from the above arguments that the building of retort coke ovens will be still further checked, if not entirely stopped, and the efforts of the Department of the Interior will not therefore have borne the fruit the department desired in conserving the fertilizing values in the coal. It has been shown by Professor Monroe, of the Department of the Interior, that if the coke which was produced in 1907 had all been made in retort coke ovens, which saved the ammonia, the supply of ammonia would have been increased by the equivalent of 455,000 tons of sulphate of ammonia. Compare this with the importations of nitrate of soda in the calendar year 1907, amounting to 364,610 tons.

Does not this show that the proper method of increasing the enormous supplies of nitrogen and ammonia that the United States needs is by stimulating the construction of retort coke ovens rather than by removing a duty on sulphate of ammonia, which will simply benefit the foreign manufacturer and only slightly, if any, increase the imports? This method of reasoning seems to be clear, as the duty-free Chilean nitrate of soda always acts as a check on any abnormal increase of the price of sulphate of ammonia.

Yours, very truly,

SEMET-SOLVAY COMPANY,
E. L. PIERCE, *Vice-President.*

THE NEW ENGLAND GAS AND COKE CO., BOSTON, OPPOSES REMOVAL OF DUTY FROM SULPHATE OF AMMONIA

SHAWMUT BANK BUILDING,
Boston, Mass., January 16, 1909.

The Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: On behalf of the parties engaged in the construction and operation of by-product coke ovens in this country, we wish to protest against the suggestion advanced by the Bowker Fertilizer, the American Agricultural Chemical Company, Mr. J. C. Kalanianaole, M. C., and others before your committee, that the present tariff on sulphate of ammonia be removed.

The existing retort coke-oven plants are at present the only producers of sulphate of ammonia, and the plants to be built in the future are the only probable sources of important increase in its production, therefore both industries are alike menaced by the removal of the present moderate protection.

For the sake of convenience we will present our arguments for the retention of this duty in brief form, under separate heads.

PRESENT TARIFF IS NOT INCONSISTENT, AS CLAIMED.

Sulphate of ammonia is the only fertilizer that we produce in this country in competition with the imported article; Chilean nitrate, potash, kainit, and guano are not found in this country, while super-

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phosphates, dried blood, tankage, and cotton-seed meal are not imported. Sulphate of ammonia, being both produced and imported, stands on a different basis than any of these, and should be protected. It has also to meet the severe competition of duty-free Chilean nitrate of soda.

The importation of sulphate in mixed fertilizers, claimed as inconsistent and in favor of foreign manufacturers, is admitted by Mr. Bowker to be commercially impossible.

FREE NITROGEN.

"Free nitrogen for the farmer" is only a catch phrase. Whether sulphate of ammonia be imported free or with duty is a commercial proposition, and should be decided as such. It can be shown that making this particular form of nitrogen free will check the development of our national resources of nitrogen, and work injury to our agriculture as a whole.

PRESENT RATE OF PROTECTION IS MODERATE.

The existing tariff is between 11 and 12 per cent, far below the 45 per cent rate prevailing on manufactured articles in general.

SULPHATE OF AMMONIA IS ALREADY CHEAPER.

Average market price, New York, 1908.

	Per ton of 2,000 pounds.	Nitrogen content.	Cost of 1 pound of nitrogen.
		Per cent.	*Cents.*
Sulphate of ammonia	$59.90	20.59	14.57
Chilean nitrate of soda	45.60	15.65	14.60

Away from the seacoast sulphate is comparatively still cheaper, as it is made at inland points, so local freights only need to be added. Chilean nitrate must always pay freight from a seaport.

The agricultural experiment stations of Maine, Massachusetts, New Jersey, Rhode Island, Vermont, Connecticut, and New York have for three years past recognized sulphate of ammonia as a cheaper form of nitrogen than Chilean nitrate or any other equivalent nitrogenous fertilizer, and have so published it in their tables of trade valuations. These values are supposed to show the retail price.

	Cents per pound.
Nitrogen in ammonia salts	17½
Nitrogen in nitrates	18½
Organic nitrogen in dry and ground fish, meat and blood, and in mixed fertilizers	20½
Organic nitrogen in fine bone and tankage	20½

These figures show conclusively that the introduction of sulphate of ammonia does not depend upon a lowering of the price. As manufactured here it is already the cheapest form of chemical nitrogen available to the farmer.

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On the 32,668 tons imported in 1907 the duty collected was $196,000, and on the 34,224 tons imported in 1908 the duty was $205,000.

SULPHATE PRACTICALLY ALL USED BY FERTILIZER MANUFACTURERS.

Between 85 and 90 per cent of the sulphate of ammonia made in and imported into this country is used in agriculture, and of this practically all is used by the fertilizer manufacturers. Buying the ingredients separately and mixing them at home is universally recommended by the agricultural stations, but the farmer is slow to adopt this method, in spite of the saving. It is done extensively abroad, where much more sulphate is used.

DIRECTORS OF AGRICULTURAL STATIONS REQUESTED TO WRITE ON BEHALF OF FREE SULPHATE.

The expressions of opinion by the station directors to the Ways and Means Committee have not been spontaneous, but at the suggestion of Mr. Bowker. This is also apparent from the similarity of argument and statement to that effect. Dr. W. H. Jordan, who writes favoring free sulphate, calls attention to the fact, however, that there is danger that placing sulphate on the free list will advantage the fertilizer manufacturer more than it will the farmer. Others advocate free sulphate provided other industries are not injured. These gentlemen are all acting from the best of motives and conceive they are promoting the best interests of the farmer, but have not had opportunity to become acquainted with the industrial side of the question. Were they to hear the other side they might modify their opinions.

REMOVAL OF THE DUTY WOULD BENEFIT THE FERTILIZER MANUFACTURER, NOT THE FARMER.

The amount of ammoniacal nitrogen actually used in fertilizers is negligible. For 247 brands registered for sale in Connecticut it is under 1 per cent. For 15 brands of Bowker Fertilizer Company's make it averages 0.84 per cent. (See Table 1.) This corresponds to 4 per cent of sulphate of ammonia, or 80 pounds per net ton of mixed fertilizer. Cost of sulphate at present prices $2.28, duty 24 cents. Average retail selling price of the 15 Bowker fertilizers, $37.18 per ton. Average value, $23.44 (see Exhibit A), according to agricultural station valuations, in which retail prices of fertilizing ingredients are used. Discrepancy, $13.74, to which must be added the saving to the manufacturers by buying in quantity, e. g., sulphate at $57 instead of $72.50 per ton, etc. This difference covers only cost of handling and mixing, all other charges being included in valuation figure. Where the margin of profit is already so great, there is no chance that a saving of 24 cents would reach the farmer. The saving due to removing the duty will all go to the fertilizer manufacturer. (See Connecticut Agricultural Experiment Station Report 1908 for analyses and valuations.)

The American Agricultural Chemical Company, who ask for removal of duty on sulphate, and who import possibly one-half or two-thirds of the sulphate to this country, will save a corresponding proportion of the $205,000 duty collected the past year, a sum worth arguing for.

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If asked for his opinion, he would doubtless say that he did not use sulphate of ammonia as such, and that the amount in the mixed fertilizers he used was too small for the removal of the duty to affect the cost to him; which is an exact statement of the case.

EFFECT OF TARIFF REDUCTION ON RETORT COKE-OVEN INDUSTRY.

The coal-gas works of the country do not make sulphate, the retort coke ovens, working on a larger scale, alone being able to stand the higher labor cost for sulphate manufacture. The market for ammonia in other forms than sulphate is supplied. Hence additonal ovens must make sulphate. Exhibit B shows imports, production, consumption, and average market quotations of sulphate (and sulphate equivalent) since 1903. Note steady drop in price for past four years. Actual selling prices are usually below market quotations.

Coincident with the fall in ammonia prices the number of retort ovens under construction has suffered a striking decrease, as shown in Exhibit C.

This slackening in progress is all due to fall in price of by-products, as coke has fulfilled all expectations. The depletion of the coal fields that yield standard coke in the beehive ovens has forced blast-furnace operators to erect retort ovens; but this has been done unwillingly, and action has been postponed as long as possible. This reluctance is partly because the investment in a retort oven plant is about three and one-half times heavier than for beehives for the same daily coke output.

A number of retort coke-oven plants supply coke for the foundry, domestic and general fuel trade, and make illuminating gas as well. The latter is an essentially American development and promises to be the best source of cheap artificial gas. Domestic coke is also the only practical substitute for anthracite coal, and because of its smokelessness its use is strongly advocated in the cities of the Middle West, where anthracite is too expensive. Progress in all these directions will be hampered by the removal of the duty on sulphate of ammonia and the consequent halt in retort-oven construction.

TO STOP RETORT-OVEN CONSTRUCTION WILL INJURE AMERICAN AGRICULTURE.

Each acre of a 4-foot vein of average coking coal will yield enough sulphate to fertilize an acre of land above it for four hundred and eighty years. This fertility should serve as a return to the farmer for the agricultural desolation in coal-mining regions. Instead, it is resolved into its elements and comes back mingled with the smoke of chimneys and beehive ovens, blasting vegetation rather than nourishing it. In 1907, 66,000,000 tons of coal were carbonized in coke ovens and gas retorts, which would have yielded 660,000 tons of ammonium sulphate if treated in recovery plants. Instead of recovering this we imported 322,195 tons of nitrate of soda duty free, besides 32,668 tons of sulphate of ammonia. Only 17.5 per cent of the coal carbonized was treated in recovery plants, and the actual ammonia obtained, all reckoned as sulphate, amounted to 97,310 net tons. Of this the retort coke oven supplied 62,700 tons, or 65 per cent, increasing from 56 per cent in 1905.

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Regarding loss of valuable by-products and economical importance of retort coke ovens, see Bulletin No. 65, Department of Commerce and Labor, page 18, by Prof. Chas. E. Munroe, and Geological Survey Bulletin, "Manufacture of coke in 1907," pages 23–39, by Dr. E. W. Parker. For statistics of ammonium sulphate see accompanying article, "The production of ammonium sulphate," by C. G. Atwater.

After fifteen years, retort coke ovens produce only 14 per cent of the metallurgical coke made. (See Exhibit D.) If tariff on sulphate of ammonia is removed, prematurely, there is no hope for better progress.

THE UNITED STATES GOVERNMENT DOES NOT AID PROPAGANDA FOR USE OF SULPHATE OF AMMONIA AMONG FARMERS.

In Germany, where 263,000 tons of sulphate were used in 1907, the Government promotes its use by experiments and instruction. No such campaign has been undertaken here, so the farmer is largely ignorant of its advantages. Introduction work has been left to the initiative and cost of the producers Quantity and margin of profit have never sufficed for such a campaign of education. If inducements to manufacturers are decreased, sulphate of ammonia certainly will not be made in increasing quantities nor will it be placed before the farmer as a competitor with other forms of nitrogen.

RELATION OF THE SURPLUS PRODUCTION IN ENGLAND TO OUR MARKET.

England is the largest manufacturer of sulphate of ammonia for export and sells to all the other nations whose coal resources are not great enough to produce their own supply. Realizing that the United States was destined in time to be the greatest producer of ammonium sulphate because of its wealth in coal, England has not exploited this country as a market as it has other countries, but has dumped its surplus production here from time to time at a concession in prices in order to maintain rates elsewhere. Owing to the demands of other countries, which once developed will remain permanent customers, no large proportion of England's output will be diverted to this country in any event.

In case the tariff is removed the present imports may be doubled or trebled; but what proportion does a probable 100,000 tons of sulphate ammonia bear to the present annual imports of 322,000 tons of Chilean nitrate, or to the 900,000 tons of blood and tankage estimated as the annual product of the packing-house industries, or to the 6,000,000 tons of cotton seed annually produced, over half of which goes back to the soil in one form or another as a nitrogenous fertilizer? What proportion would the possible saving in duty on even the above amount of imported sulphate of ammonia be compared with the $58,000,000 representing the value of the fertilizers annually produced and consumed in this country?

The only logical way to really develop the stores of nitrogen that are available for the use of the American farmer in our bituminous coal is to continue the tariff protection now placed on it until such time as the increase of the retort coke oven industry shall have placed the production of sulphate of ammonia on a firm and profitable basis.

Yours, truly,

THE NEW ENGLAND GAS AND COKE COMPANY,
J. L. RICHARDS, *President.*

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EXHIBIT A.

Table showing amount of ammoniacal nitrogen (as sulphate of ammonia) contained in 15 brands of Bowker fertilizers, also dealer's price and United States agricultural station valuation of same.

	Nitrogen.						
	As ammonia by analysis.	Total guaranteed.	Total guaranteed phosphoric acid.	Total guaranteed potash.	Selling price per ton.	Agricultural experiment station valuation per ton.	Percentage difference between cost and valuation.
Bowker's Market Garden Fertilizer.	1.00	2.5	7.0	10.0	$37.00	$24.83	52.0
Bowker's Fisherman's Brand Fish and Potash	1.00	2.5	5.0	4.0	28.00	18.41	56.2
Bowker's Hill-and Drill Phosphate.	1.30	2.5	10.0	2.0	35.00	20.67	69.3
Bowker's Sure Crop Phosphate	.10	.8	10.0	2.0	30.00	15.64	88.6
Gloucester Fish and Potash	.08	.8	9.0	1.0	25.00	13.63	96.3
Stockbridge Tobacco Manure	2.30	5.8	6.0	10.0	47.00	36.81	27.7
Stockbridge Top Dressing	1.47	4.9	6.0	6.0	39.25	30.72	27.8
Stockbridge Potato and Vegetable	.90	3.3	7.0	10.0	40.00	29.34	34.6
Stockbridge Corn and Grain	.26	3.3	11.0	7.0	39.25	28.89	35.9
Bowker's Early Potato Manure	1.46	3.3	8.0	7.0	38.75	26.44	46.6
Bowker's Tobacco Starter	.99	2.5	10.0	3.0	34.00	22.57	50.6
Bowker's Potato and Vegetable Fertilizer	.61	2 5	9.0	4.0	35.00	22.13	58.2
Bowker's Potato and Vegetable Phosphate	.14	10.0	10.0	2.0	32.50	18.81	72.8
Bowker's Lawn and Garden Dressing	.84	3.0	8.0	5.0	45.00	25.19	78.6
Bowker's Corn Phosphate	.12	1.7	9.0	2.0	32.00	17.55	82.3
Average	.84	2.74	.....	.....	37.18	23.44	.....

EXHIBIT B.

United States production and imports of ammonium sulphate and average market price.

[In tons of 2,000 pounds.]

Year.	1903.	1904.	1905.	1906.	1907.	1908.
Imports	16,777	16,667	15,288	9,182	32,669	34,224
Production	41,873	54,664	65,296	75,000	99,300	.....
Total consumption	58,650	71,331	80,584	84,182	131,969	.....
Average market price	$62.10	$61.71	$62.92	$62.33	$61.93	$59.90

The price is given for the calendar year, while the imports are for the fiscal year ending June 30.

EXHIBIT C.

Record of retort coke ovens built, 1893–1907.

Year.	Ovens built.	Ovens building.	Year.	Ovens built.	Ovens building.
1893	12	.....	1901	1,165	1,533
1894	12	60	1902	1,663	1,346
1895	72	60	1903	1,956	1,335
1896	160	120	1904	2,910	832
1897	280	240	1905	3,159	417
1898	520	500	1906	3,603	112
1899	1,020	65	1907	3,892	330
1900	1,085	1,096			

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EXHIBIT D.

Coke production of the United States showing progress of the retort coke ovens.

[Tons 2,000 pounds.]

Year.	Retort coke ovens.	Total.	Per cent of total.
1893	12,850	9,477,580	0.13
1894	16,500	9,203,632	.18
1895	18,521	13,333,714	.14
1896	83,038	11,788,773	.7
1897	261,912	13,288,984	2.0
1898	294,445	16,047,209	1.8
1899	906,534	19,668,569	4.6
1900	1,075,727	20,533,348	5.25
1901	1,179,900	21,795,883	5.4
1902	1,403,488	25,401,730	5.5
1903	1,882,394	25,274,281	7.4
1904	2,608,229	23,661,106	11.1
1905	3,462,348	32,231,129	10.7
1906	4,558,127	36,401,217	12.5
1907	5,607,899	40,779,564	13.7

EXHIBIT E.

Memorandum.—Sulphate of ammonia, 1908.

[Figures for imports taken from bulletins issued by Department of Commerce and Labor. Domestic manufacture estimated by reliable authority.]

	Quantity.	Value.
	Pounds.	
Imports	76,475,104	$1,982,830
Domestic manufacture	60,000,000	1,800,000
Total	136,475,104	3,782,830

Imports 56 per cent of total; tariff, 0.3 cent per pound.

We ask to have the present tariff retained. From the above it will be seen that the rate is a tariff for revenue only, and does not prohibit importations. See accompanying letter from James L. Richards, president, New England Gas and Coke Company, for further information.

THE NEW ENGLAND GAS AND COKE COMPANY, BOSTON, MASS., THINKS THAT THE PRESENT DUTY ON SULPHATE OF AMMONIA SHOULD BE RETAINED.

SHAWMUT BANK BUILDING,
Boston, Mass., February 11, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We give below the figures for imports, production, and consumption of ammonium sulphate for the year 1905, as given in Census Bulletin No. 65, and for the year 1907, as given in the United States Geological Survey report on gas, coke, tar, and ammonia and the Bureau of Statistics report on the commerce and navigation of the United States.

These figures show that the imports of sulphate of ammonia for the year 1905 amounted practically to 50 per cent of the gross consumption, and that in 1907, the next year for which statistics are

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available, this had increased to 54 per cent. These figures are far above the average for Schedule A or for any of the other schedules, or for the free list itself. On these figures we base the following statements:

(1) The present tariff rate produces as near as may be the maximum income to be expected from this article. If there be any change in the rate it should be increased rather than lowered.

(2) As the foreign producer now controls over 50 per cent of the market, any decrease in the tariff will give him complete control.

(3) Any equitable adjustment of this rate in the relation to the other rates in Schedule A or in relation to the other schedules must tend to reduce the amount of ammonium-sulphate importations rather than increase them. The producers of sulphate of ammonia in this country now face more than their share of foreign competition.

For these reasons we ask you to retain the present tariff on sulphate of ammonia.

Yours, respectfully,

THE NEW ENGLAND GAS AND COKE COMPANY,
J. L. RICHARDS, *President.*

EXHIBIT A.—SULPHATE OF AMMONIA.

	1905.			Percentage of imports to gross consumption.
	Imports.	Productions.	Gross consumption.	
Sulphate of ammonia (under A):				
1905	[a] $807,480	[b] $818,290	$1,625,770	49.7
1907	[c] 1,770,222	[d] 1,525,472	3,295,694	54.0

[a] United States Census Bulletin No. 65., p 20.
[b] United States Census Bulletin No. 65, p. 18.
[c] Commerce and Navigation of the United States, 1907, Imports entered for consumption, p. 976.
[d] United States Geological Survey Report on Gas, Coke, Tar, and Ammonia, p. 29.

BAUGH & SONS' COMPANY, OF PHILADELPHIA, PA., ASKS THAT SULPHATE OF AMMONIA BE KEPT ON DUTIABLE LIST.

DELAWARE RIVER CHEMICAL WORKS,
Philadelphia, February 24, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee of Ways and Means,
Washington, D. C.

DEAR SIR: Several large fertilizer concerns have petitioned your committee to remove the present tariff on sulphate of ammonia, thereby placing the article on the free list. We (as manufacturers of sulphate of ammonia, also as very large manufacturers of fertilizers) wish to protest against the removal of the present tariff on sulphate of ammonia, for we are convinced that while removal of the duty would probably effect a lowering of the price of ammonium sulphate for the time being the ultimate outcome would be grave

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injury to the fertilizer interests and to those of the country at large. It would be in the highest degree unwise to check the progress we have made toward saving our native supply of nitrogen for the sake of a small and temporary reduction in the price of ammonium sulphate.

The average price of sulphate of ammonia at Hull, England, for the year 1907 was $56.56, the present import duty is $6 per ton, and the cost in freight, etc., for laying down in New York would be $7 per ton. This would bring the total cost of a ton of English sulphate in New York to $69.56, but during the year 1907 the average price of English sulphate in New York was only $61.93. In other words it is a clear case of the foreigner paying the duty. In order to find an outlet for his surplus production, the Englishman unloads it on our market at a concession in price amounting to over $7.

This country already imports more ammonium sulphate than it produces. Under the conditions that are outlined in the preceding paragraph, if the duty is removed the price of foreign sulphate will probably fall, but where so large a concession in price has been made the foreigner will unquestionably absorb the larger portion of the saving made by removing the duty. Doubtless more sulphate of ammonia will come in at the more profitable figure and the foreign producers of sulphate of ammonia will be encouraged to extend their operations. On the other hand the American producer of sulphate of ammonia will receive less return than hitherto, the installation of such plants will be regarded as a doubtful proposition, and the progress that we have made during the last fifteen years in the production of ammonium sulphate at home will go for naught. There could be no clearer case of the surrender of the control of a promising American industry into the hands of the foreign manufacturer than this.

The by-product coke-oven industry in the United States is still in its infancy. But 14 per cent of our coke production comes from by-product coke ovens, whereas in England or in Germany the proportion is three to four times as large. Yet the United States produces nearly as much coke as England and Germany together, and her recovery of sulphate of ammonia from this coke could be correspondingly great.

The coal treated in coke ovens, gas works, etc., in 1907 amounted to 66,000,000 tons, from which 660,000 tons of ammonium could have been recovered, but the actual total recovery reckoning all forms of ammonia as well as sulphate, fell below 100,000 tons. Where the discrepancy between possible production and actual production is so great it is surely a wise policy to continue the moderate degree of protection now received by the manufacturers of ammonium sulphate, rather than to discourage them by removing the duty.

The supply of nitrogen to an agricultural nation is of too great importance to be jeopardized by the selfish wish of a few manufacturers to obtain cheaper raw material for the moment.

Under our system of protective tariff our manufacturers have grown strong. Under the various tariff schedules the imports range below 7 per cent of the total consumption except for three schedules under which the imports are principally raw materials.

The imports of sulphate of ammonia for the year 1907 were 54 per cent of the gross consumption; in other words, sulphate of ammonia is facing far more its share of foreign competition, particularly when it

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is considered that it also encounters the competition of Chilean nitrate of soda which comes in duty free.

The interests of the fertilizer manufacturers of this country are founded on an adequate supply of raw materials. It is the unequaled phosphate beds of Tennessee, Florida, and South Carolina that have built up the superphosphate industry. It is the supply of cotton seed that has made our cotton seed oil and meal industries possible. Conversely it is the lack of crude potash salts that makes it necessary for us to rely upon the German producers of potash. Is it not in accordance with the most elementary principles of political economy that we encourage the development of our native supply of nitrogen and cease to rely so extensively for this essential element of fertility on the thrift and enterprise of foreign nations?

Very truly, yours,

BAUGH & SONS' COMPANY,
E. BUTLER, Jr., *Treasurer.*

CAMPHOR.

[Paragraph 12.]

CHARLES A. WEST, OF BOSTON, MASS., THINKS THAT THE DISTINCTION BETWEEN SYNTHETIC AND NATURAL CAMPHORS SHOULD BE CLEAR.

BOSTON, *February 20, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIRS: We beg to supplement our letter of December 1, 1908, to emphasize the importance of distinguishing radically and rationally between natural camphor and artificial or synthetic camphor in the proposed tariff schedules. Nothing else will avoid further litigation under the rulings and findings of fact in the case of United States *v.* Schering & Glatz, and consequent uncertainty and expense to the custom-house, the Department of Justice, and camphor refiners or importers.

In the Schering case technical or artificial German camphor ready for use in the pyroxylin, celluloid, and smokeless powder industries has been held to be "crude" when it is not in fact crude from either the makers, the refiners, or the destined users' practical standpoint. It was established and was not seriously disputed in that case that this miscalled crude synthetic camphor was sufficiently pure or "refined" to require no refining in this country before going into use, and that the whole weight of it without appreciable loss was available. Its very name "technical camphor," distinguishing from medicinal camphor, tells the story that it is not crude in ordinary commercial sense, and that it is refined in the sense that it is sufficiently refined for its technical use without further treatment.

The uncertainty and the almost inevitable litigation that must follow confusing crude natural with this technical camphor, in view of the Schering & Glatz decision, can manifestly be avoided by plain wording of the schedules and recognizing the fact that the impurities in crude natural camphor are totally different in kind from anything in artificial or synthetic camphor. They have a different effect in the degree of lowering the melting points and the boiling point. By this lowering different grades of natural crude camphor can be ration-

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ally compared and distinguished. The application of this mode of distinction to an artificial camphor, with its entirely different impurities (which are of a beneficial or certainly not a harmful nature in the intended use for which the camphor is manufactured), must inevitably lead to false conclusions and to trouble and expensive litigation.

If the free list reads as proposed, "camphor, crude natural," that will be unambiguous and perfectly clear. If the dutiable list shall read "camphor, refined natural, 6 cents per pound," that will be unambiguous and perfectly clear. If the terms "crude" or "refined" are applied to the artificial or synthetic camphor, trouble will inevitably arise, since these terms do not have the same meaning nor relate to things of the same nature or to similar impurities. Here the impurities are such that they do not have to be refined out, and the terms "crude" and "refined" overlap in meaning, if, indeed, they are properly usable at all in connection with the artificial process of making camphor or with the synthetic camphor when made.

A second heading on the dutiable list should, therefore, deal with this different subject-matter, and in view of the litigation the words "crude" and "refined" should be avoided, as the decision shows that crude now legally means something very different from what the law of 1897 intended it to mean and very different from anything that a chemist, a refiner, or a practical user would understand it to mean. We respectfully suggest and urge, therefore, that a separate heading be put in the dutiable list, reading: "Camphor, artificial or synthetic, 6 cents per pound."

The present Notes on Tariff Revision, pages 22 and 681, expresses the opinion that "crude synthetic camphor would be relegated to the division of chemical compounds not enumerated in the present paragraph 3." But this could not be the effect in the face of United States *v.* Schering & Glatz until after litigation to determine whether the present improved "technical" camphor made artificially, i. e., synthetic camphor ready for use in the pyroxylin arts, is similar, under section 7, to "refined camphor, natural or synthetic," or, as the court formally held, to "crude." Such camphor has never been in a crude condition in any sense like the natural tree camphor and under section 7 of the act of 1897, if reenacted, it could well be contended that this "technical" camphor is an "imported article not enumerated in this act, which is similar either in material, quality, texture, or the use to which it may be applied" to the "crude natural" by the importer and to the "refined natural or synthetic" by the custom-house and general appraisers.

As, therefore, synthetic camphor exists in at least two forms, both of which are imported ready for their intended respective uses without needing any refining in this country, it follows that both must consistently be on the dutiable list and not upon the free list if the refining industry in this country is to survive and the policy concerning natural camphor is to be maintained in respect to artificial, and if further expensive litigation interpreting the new acts is to be avoided.

As your committee is doubtless aware that the medicinal use of camphor is very limited as compared with its technical uses, it will be apparent that it is quite unimportant whether the technical synthetic camphor can or can not be regarded from a medical point of view as impure, unrefined, or crude, if it be free from all those impurities which render natural camphor too crude for use in the arts. Here again is shown the fallacy and the ambiguity of employing the

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terms "crude" and "refined" for the very distinct synthetic or technical camphor.

Viewed again from the broad policy of reasonably and moderately fostering the American refining industry, the admission of this "technical" or so-called "crude synthetic camphor" free must tend to destroy the industry of refining natural camphor for its large commercial uses and must directly give to the German patent monopoly undue advantages, in addition to their legal patent advantage.

By the letter of Schering & Glatz printed in the tariff hearings at page 6838 we judge that this patent monopoly desires the committee to overlook the fair parity which actually exists between their article and the natural refined camphor, both of which are completely ready for technical use. It must be manifest, however, to your committee that the German technical synthetic camphor (although held to be "crude" by the court) competes, not with the crude natural as it goes to a refiner, but with the refined after the same has been refined by the American refining industries or after paying duty if refined abroad and imported.

The free admission of such sufficiently refined synthetic camphor under the guise of being crude and under the decision of the United States court must be a menace to, if it does not actually destroy, the industry of refining natural camphor in the United States for technical purposes.

We respectfully annex hereto a colored diagram intended to graphically show by comparison the relation of the technical synthetic camphor to refined natural camphor on the one hand, and the crude natural camphor on the other.

We shall be glad at the request of your committee to submit more in detail quotations from the testimony in Schering & Glatz case, sifted and tested by cross-examination of the witnesses, which well show the correctness of this diagram, and we are ready to afford you any assistance that we can, because we are convinced that a thorough knowledge of the facts is all that is necessary to lead your committee to follow our suggestions and continue to moderately and reasonably protect the American refiner.

Yours, very truly,

AMERICAN CAMPHOR REFINING COMPANY,
CHAS. A. WEST, *President.*

CELLULOID.

[Paragraphs 17 and 459.]

THE HAMILTON PIPE WORKS, BROOKLYN, N. Y., WISHES THE CONTINUED CLASSIFICATION OF CELLULOID PIPE BITS UNDER THE HEAD OF SMOKERS' ARTICLES.

18 AND 20 SACKETT STREET,
Brooklyn, N. Y., February 20, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to submit for your consideration our views in reference to the duty on compounds of pyroxlin, known under registered trade names as "celluloid," "fiberloid," "pyralin," etc.

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We are personally interested in celluloid mouthpieces for smoking pipes, the duty on which at the present time is 60 per cent ad valorem as "smokers' articles," which classification was secured by us after considerable agitation, and we respectfully submit samples of the kind of goods which we are using for your information and inspection.

From September, 1904, to December, 1906, we imported of this class of goods $20,249, on which we paid duty of $15,498.30, or at the rate of 76½ per cent ad valorem, as the collector of port insisted upon having these articles entered as "manufactured celluloid," on which the duty at that time was 65 cents per pound, 25 per cent ad valorem: but, as stated, after considerable agitation we were enabled to have these goods properly entered as "smokers' articles," which in our judgment is the only correct classification.

We wish further to call your attention to the monopoly which exists on these articles. So far as we know or have any means of finding out, there are but two manufacturers of these pipe bits in the United States, namely, the Celluloid Company, of Newark, N. J., and the Arlington Manufacturing Company, of Arlington, N. J., the former by all odds the larger and more important manufacturers of these pipe bits.

We called personally several times on the said "Celluloid Company," and offered to them our business, and we were informed that they were under contract to sell only certain manufacturers of smoking pipes at a fair price and the price to all others is practically prohibitive.

We submit a copy of our letter written to these manufacturers on date of October 20, 1903, and also their reply, showing the monopoly which exists on these pipe bits in this country. We could not buy these bits from the Celluloid Company; and as the bits manufactured by the Arlington Manufacturing Company were unsatisfactory to us and our trade, we were therefore practically forced to secure our material from abroad; but up to that time the duty on these pipe bits was 60 per cent ad valorem, and as soon as we began to import in quantities in 1904 the classification was changed and we were compelled to pay at the rate of 65 cents per pound and 25 per cent ad valorem, which is practically prohibitive.

We note in the letter submitted to you by the manufacturers of celluloid in America that had they been approached a few months prior to November, 1908, they would have consented to a reduction in the duty on their material, and they asked you to raise the duty, solely on what might happen with the Japanese manufacturers who are not yet ready to manufacture any goods whatever, and their only point of argument is, as far as we can see, based on a supposition. They also ask you to change the classification of these "pipe bits or mouthpieces," which we think is unjust, for the reason that owing to the contracts existing between the Celluloid Company and certain manufacturers we are practically unable to secure their goods at all. We would suggest that in order to substantiate this statement regarding the monopoly which now exists on pipe bits or mouthpieces, that the Celluloid Company be compelled to submit to you the contracts which have in the past years existed between them and the smoking pipe manufacturers, whom they supplied.

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The industry is practically in the hands of the Celluloid Company, of Newark, N. J.; Arlington Manufacturing Company, of Arlington, N. J.; and the Fiberloid Company, of Indian Orchard, Mass.

We think that according to their own statement they can well afford a reduction in duty and to leave these bits which can only be used for "smokers' articles" remain under the classification of "smokers' articles," as they can not be used for any other purpose.

We respectfully submit the above for your consideration, and remain,

Yours, very truly,

HAMILTON PIPE WORKS.

EXHIBIT A.

OCTOBER 20, 1903.

The CELLULOID COMPANY,
New York City, N. Y.

GENTLEMEN: Having informed us on several occasions that you arrange your business on the pipe-bit question for a year in advance, and thinking, perhaps, this is the time of the year when you are looking into this business, we would thank you to let us know whether some arrangements could be made by which we could handle your line for the coming year, of course considering that we would be able to compete with manufacturers already having this privilege.

We are now handling an average of about 10,000 per year on a similar article, and, if let in at the right price, we could undoubtedly dispose of quite an additional amount during the year.

Hoping to be favored with your reply, we remain,

Yours, very truly,

HAMILTON PIPE WORKS.

30, 32, 34, 36 WASHINGTON PLACE,
New York, October 21, 1903.

HAMILTON PIPE WORKS,
18 Sackett Street, Brooklyn, N. Y.

GENTLEMEN: We have yours of the 20th instant, and in reply would say that it is a little early for us to take up the matter of pipe-bit business for next year, but at the same time we do not think that there is any probability of our being able to supply you on any better terms than those already quoted.

Yours, very truly,

THE CELLULOID COMPANY,
WM. SMITH.

SCHRADER & EHLERS, OF NEW YORK CITY. SUGGEST A CLASSIFICATION AND RATES FOR CELLULOID AND MANUFACTURED ARTICLES OF CELLULOID.

335 BROADWAY,
New York, February 24, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: In connection with—

Schedule A, paragraph 17: Collodion and all compounds of pyroxylin, whether known as celluloid or by any other name, fifty cents per pound; rolled or in sheets, unpolished, and not made up into articles, sixty cents per pound; if in finished or partly finished articles, and articles of which collodion or any compound of pyroxylin is the component material of chief value, sixty-five cents per pound and twenty-five per centum ad valorem—

We beg permission to submit the following for the consideration of your committee: Collodion and all compounds of pyroxylin, 50 cents per pound. This is imported only in quite negligible quantities.

The Department of Commerce and Labor, in the official statistics published for the year ending June 30, 1907, shows importations of 1,132 pounds; value, $2,195. (See page 981 in the latest publication of 1908.)

Celluloid in sheet form: The price of this material in Europe is from less than 40 cents to 60 cents per pound; higher prices are asked only for a few special grades. The kinds that are most largely used cost less than 40 cents and up to 50 cents per pound foreign value. The rate of duty on celluloid in sheet form is 60 cents per pound, and when polished, 65 cents and 25 per cent ad valorem. It will be readily seen that this duty excludes all foreign competition. Nothing practically is imported, as a matter of fact. The official statistics of the Department of Commerce and Labor for the year ending June 30, 1907, show imports of 271 pounds; value $205. (See page 981 in the latest publication of 1908.)

Celluloid in sheet form is raw material for a number of other industries, such as the manufacture of collars and cuffs, the manufacture of dressing combs, side combs, ladies' back combs, and a number of other industries. We respectfully submit the question whether it is right to let the duty on celluloid sheet remain prohibitive as it now is, at the expense of the industries depending upon celluloid sheet as their raw material?

On the other hand, if it seems just to the committee that the celluloid industry should be protected, we claim that the rate of 60 cents per pound, being more than 100 per cent in the average, or 65 cents per pound and 25 per cent for polished sheet, being 150 to 175 per cent in the average, is excessive.

The proportion of the cost of labor in the price of celluloid sheet is small, probably not more than one-quarter of the total. The price of camphor, the principal ingredient required in the manufacture of celluloid, is the same here and abroad.

The cost of labor in America is said to be 50 per cent more than in Europe. Even if it were 100 per cent higher, the excess cost of production would only be 5 to 7½ cents per pound.

It would seem from this that a rate of duty of 5 to 10 cents per pound would quite sufficiently protect American labor.

The present tariff places celluloid sheet, when polished, into the category of manufactures of celluloid at 65 cents plus 25 per cent. The polishing of celluloid sheet is a very simple mechanical operation, and, as a matter of fact, European manufacturers make no charge for it, except for a very high polish in the expensive kinds, for which a charge of up to 11 cents per pound is made.

There seems to exist no good reason why polished celluloid sheet should be classed differently from unpolished sheet, especially when most of the industries using celluloid sheet as their raw material buy only polished sheet.

The same rate of duty as that for unpolished sheet would be sufficient protection.

We have found it impossible to import any celluloid sheet, rod, or tubing, polished or unpolished, into the United States. We know, on the other hand, that American manufacturers are exporting celluloid sheet in competition with European manufacturers.

The present rate on celluloid, when made up in finished or partly finished articles, is 65 cents per pound and 25 per cent ad valorem.

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Celluloid goods of widely different classes are imported. The value of such importations is not immaterial, but in our estimation is not very large in comparison to the business done by the domestic manufacturers.

The imports of collodion and manufactures thereof are given in the official handbook of statistics of the Department of Commerce and Labor published in 1908 (p. 208) as follows:

1903	178,144
1904	240,501
1905	166,479
1906	272,426
1907	871,736

The exports of celluloid and manufactures thereof are given in the same publication (pp. 523–524):

1903	249,488
1904	246,601
1905	294,979
1906	340,825
1907	444,518

It will be seen that only in one of five years were the imports larger than the exports, and it would seem that the celluloid industry stands in no need of being fostered as an infant industry by excessive rates of duty.

A particular class of celluloid goods partly finished, to which we desire to call the attention of your committee, is celluloid mouthpieces for tobacco pipes. This article forms a raw material for the very important brier-pipe industry in this country. It has been held that as a part of a smoker's article it is dutiable at the rate of smokers' articles, which is very high, namely, 60 per cent ad valorem. We see that three celluloid manufacturers have submitted a brief requesting a change in the schedule which would bring celluloid mouthpieces, although raw material for the pipe manufacturers, under the classification of celluloid in finished or partly finished articles, and for an advance in the rate for such celluloid articles. The change in classification alone means an advance in the cost to the pipe manufacturers of that part of their material consisting of celluloid mouthpieces, and would hamper the pipe manufacturers through increasing the cost of their raw material. Much more would it hurt this industry if the classification were changed, and the rate increased at the same time, as suggested by the celluloid manufacturers.

Mouthpieces made of amber are admitted at the rate of 25 per cent, but amber shaped for mouthpieces is free as raw amber.

Wood blocks for the pipe bowl are admitted free of duty.

Admitting that the celluloid industry has a claim for protection, we contend that the present rate of 60 per cent is excessive. We are informed that the proportion of the cost of labor in the price of mouthpieces, including factory expenses, in the average, is not more than one-third of the selling price.

Granting again that American labor is 50 per cent and even 100 per cent higher than European labor, it is apparent that the present rate of 60 per cent is excessive, and that a rate of 25 per cent would amply protect the domestic celluloid industry.

In view of the facts as stated, we would respectfully ask that the petition of the celluloid manufacturers be denied and that the com-

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mittee take into consideration the establishment of the following rates as an ample protection of the celluloid industry and as fair to the industries depending on celluloid as their raw material:

Schedule A, paragraph 17.

Collodion and all compounds of pyroxylin	cents per pound	5
Collodion and all compounds of pyroxylin manufactured or rolled in sheets, rod, or tubing, unpolished or polished (which would be equal to from 15 to 25 per cent ad valorem)	cents per pound	10
Celluloid in finished or partly finished articles	per cent ad valorem	25
Celluloid mouthpieces, as raw material for tobacco pipes	do	25

Respectfully, yours,

SCHRADER & EHLERS,
Importers.

EUGENE DIETZGEN, NEW YORK, THINKS DUTY ON POLISHED SHEETS OF CELLULOID SHOULD NOT BE INCREASED.

214–220 EAST TWENTY-THIRD STREET,
New York, February 25, 1909.

GENTLEMEN: We are manufacturers of large quantities of celluloid goods, such as T squares, triangles, curves, and other goods of similar nature, which are largely used by schools, universities, and other educational institutions, and also by individual draftsmen, engineers, as well as by the various government engineering offices, etc.

The raw material from which we manufacture these articles is polished celluloid in sheet form which we obtain exclusively from American manufacturers. We have never imported this material, as the import duty prohibited our doing so, and to our knowledge no other manufacturer in our line is obtaining any of this material from abroad. This will also be seen by referring to the statistics of the Department of Commerce and Labor, according to which during the fiscal year ending June 30, 1907, only 271 pounds, at a total value of $205, have been imported.

This commodity is protected at present at the rate of 25 per cent ad valorem and 65 cents per pound on the foreign market price; and as the same ranges from 80 to 90 cents per pound, this means a protectional duty of from 125 to 150 per cent. It is our opinion that such a high duty is unnecessary, as at even a duty as low as 65 cents per pound any foreign competition would be absolutely excluded, and the American celluloid industry would be sufficiently protected. We consider that the American manufacturers of celluloid in polished sheets should be well satisfied with the protection they enjoy at present in view of the fact that they have absolute control of the manufacturers and regulation of price of celluloid in polished sheets in this country, and have absolutely excluded all foreign competition in this material. We therefore can not see any reason for any increase in duty on this material such as has been asked by the domestic manufacturers of sheet celluloid. An increase in duty on celluloid in polished sheets would only work a hardship on the manufacturers of finished celluloid goods in our line, and would increase the price of these articles to the public and the users at large, especially to educational institutions, there being no cause for any such increase whatsoever.

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In view of this we respectfully suggest to deny the increase in duty of celluloid such as has been petitioned for by the domestic celluloid manufacturers.

Should any further information be required such as to the proportions of cost of labor and material in the manufacture of articles in our line as mentioned above, we will be glad to give same upon request.

Very respectfully, yours,

EUGENE DIETZGEN CO.,
W. BIERBHAUER,
Assistant Secretary.

TANNING MATERIALS.

[Paragraph 20.]

M. S. ORTH, BOSTON, THINKS TEN PER CENT DUTY SUFFICIENT FOR DYEING AND TANNING BARKS AND BERRIES.

WASHINGTON, D. C., *February 27, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I regret having to take up your time further with this letter, but I discover that I made a serious error in my first brief.

I suggested there that in the revised tariff bill you have paragraph 20, Schedule A, read the same as suggested by Mr. Skiddy. I have only just now discovered that Mr. Skiddy's suggestion is for one-fourth cent per pound in addition to 10 per cent ad valorem.

It seems to me that 10 per cent ad valorem is sufficient protection without the one-fourth cent per pound. In some instances even this 10 per cent is unnecessarily burdensome and even prohibitive, but, as a rule, I should think that the tariff provided for in paragraph 20 is a logical and reasonable one. Raw tanning materials have free entry, and if they are improved by grinding, etc., it takes away that much from our American labor, and should pay a duty.

I ask, therefore, that my suggestion regarding paragraph 20, Schedule A, be changed to the suggestion that the articles in this paragraph pay a duty of 10 per cent ad valorem.

Yours, respectfully,

M. S. ORTH.

TANNING EXTRACTS.

[Paragraph 22.]

SUPPLEMENTAL BRIEF FILED BY VARIOUS AMERICAN MANUFACTURERS OF TANNING EXTRACTS.

WASHINGTON, D. C., *January 22, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the concluding paragraph of the petition filed by the manufacturers of tanning extracts on December 4, 1908, it was promised that such petition would be followed within a few days by a detailed verification of the statements of fact made therein. Such verification follows:

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PARAGRAPH 1.

In paragraph 1 of our preliminary brief we state the item of labor constitutes 75 per cent of the total cost of production. In proof of this statement we submit the following:

Our raw material, i. e., chestnut wood, is the greatest item of cost, and is at this time costing an average of $4.50 per cord at the various mills. This value is made up as follows:

	Cost.	Per cent.
Price of stumpage per cord	$0.25	5.55
Average freight per cord	1.00	22.22
Labor, including felling, splitting, handling, and hauling	3.25	72.23
Total	4.50	100.00

If all the plants now established were to run full capacity, they would consume about 500,000 cords per year, the total value of which is $2,250,000; the amount directly expended for labor would be over $1,625,000.

As to the manufacture of the finished product from this raw material, the cost for labor is 49 per cent of the total cost of manufacturing the extract, exclusive of raw material, or $1,625 per cord, which amounts to $812,500 more, making a total of $2,437,500 per annum expended for labor on a product which has cost to produce in all $4,687,500. That is to say, the direct labor cost is over 62 per cent of the entire cost of production, or 3 cents per unit of tannin. Hence, for each ton of quebracho or mangrove extract imported into the United States, containing 1,452 units, the loss to American labor is $43.56, or on the importations of quebracho during the year ending June 30, 1908, a gross loss of $1,655,690. The contingent or indirect labor involved in freight, coal, oils, etc., will make the percentage of cost, exclusive of wood, due to labor, exceed 75 per cent.

PARAGRAPH 2.

Mr. Skiddy, in his brief presented November 10, shows that in Argentine common labor costs but $18 per month against ours costing $38, while the proportionately small number of skilled men employed cost from 30 to 40 per cent less than ours. In the East Indies the labor cost is still less. The less cost of labor is involved not only in the manufacturing cost, but in the various items connected with raw material, supplies, etc. Putting together the various items making up the total cost it is found that the Argentine manufacturer can produce solid quebracho extract containing 65 per cent tannin for about one-third the labor cost involved in producing an equivalent chestnut extract under United States conditions.

While the quebracho extract is brought into the United States in solid form containing 65 per cent tannin, it is necessary, in order to compare in parallel the costs of production of quebracho and chestnut extracts, that the quebracho shall be considered on the basis of 25 per cent tannin, the standard for domestic chestnut. One ton of quebracho wood will make 1,450 pounds of extract containing 25 per cent tannin, whereas 1 ton of chestnut wood will make only 325 pounds of extract containing 26 per cent tannin. With these yields it is possi-

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ble to tabulate the items of production cost per 100 pounds of extract containing 25 per cent tannin, the quebracho under Argentine conditions and the chestnut under United States conditions, thus:

Comparative cost chestnut and quebracho extracts, both on 25 per cent tannin basis.

[Cost per hundred pounds.]

	Quebracho manufactured in Argentina.	Chestnut manufactured in United States.
	Cents.	*Cents.*
Wood	48.0	69.26
Labor	7.8	25.00
Incidentals (interest, depreciation, selling, taxes, etc.)	6.43	25.74
Total	62.23	120.00

It is shown that the cost of production under parallel conditions is 1.2 cents per pound for the domestic chestnut and 0.62 cent per pound (25 per cent tannin) for the quebracho, or a difference against the chestnut of 0.58 cent per pound on the American standard of 25 per cent tannin. Inasmuch as the imported quebracho extract actually contains 65 per cent tannin, the difference against chestnut put upon that basis is (25:65:0.58:x) 1.5 cents per pound of solid quebracho extract.

The duty requested is 1 cent per pound plus 10 per cent ad valorem, which upon solid quebracho extract worth 2½ cents in bond will be 1 25 cents per pound, which is 0.25 cent per pound less than the shown difference in production cost between Argentine solid quebracho extract and domestic chestnut extract, whereas the present duty of one-half cent per pound on solid quebracho extract is only one-third of the shown difference in such production costs.

PARAGRAPHS 3 AND 4.

Five years ago quebracho extract containing 65 per cent tannin was selling at from 4 to 5 cents per pound and chestnut oak extract containing 25 per cent tannin at 1.75 to 2 cents. Under these conditions the extracts were almost on a parity, the tannin unit values being almost the same, i. e., 7 cents per unit. Profits were good, and as a natural result the production of both kinds of extract increased rapidly. No sooner, however, had the apparent ultimate consumption been reached than prices began to drop, and in 1905 chestnut extract was sold as low as 1.14 cents per pound, which is less than cost, and quebracho at 3 cents, duty paid.

This competition received further impetus about two years ago, when the German and French Governments, to protect their domestic extract industries, put in force a greatly increased tariff. In the case of Germany the duty was made prohibitive, being 1½ cents per pound on liquid and 3 cents per pound upon solid quebracho extracts. This resulted in the United States being made the dumping ground for the surplus quebracho. Since then Argentine solid quebracho has sold as low as 3 cents or less, duty paid, at which price any chance of competition by chestnut-oak extract has disappeared.

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Illustrating this point clearly, the tannin unit value at which quebracho extract is sold is 4.6 cents, or 3 cents per pound extract containing 65 per cent tannin, whereas in a previous paragraph we have stated the cost of making chestnut-oak extract to be 4.8 cents per tannin unit, or 1.2 cents per pound of extract containing 25 per cent tannin.

During a period from 1898 to 1904 the domestic manufacture increased two to three times in volume. From 1905 to the present time the capacity for output has remained stationary, while the actual output has decreased; this in the face of a large increase in the consumption of extract.

Filed with the committee is a diagrammatic survey of the business of producing chestnut extract in the United States during the period of six years, or from 1902 to 1907, inclusive. On this diagram is shown the cost of wood in dollars and cents per cord from the year 1903 to the year 1907, by which it is seen that the price has risen from $2.50 per cord in 1903 to $4.50 per cord in 1907, or an increase of 80 per cent. At the same time common labor, which is employed almost exclusively by this industry, increased in cost from $1 per day in 1903 to $1.50 per day in 1907, or an increase of 50 per cent. It is fair to say that if a similar line were drawn covering the other materials entering into the manufacture of chestnut extract, such as coal, oils, machinery repairs, etc., this line would show an increase common to such increase as found in other industries. From 1898 to 1902 the output of chestnut extract showed a small increase of volume, but in 1903 several additional plants were put into commission, and by the end of 1904 the output had been doubled. From 1904, however, the production of chestnut extract has been substantially stationary. From 1903 to 1907 the net gain in volume of chestnut extract produced in the United States has been 100 per cent; whereas during the same period the importations of quebracho extract have risen from 6,000 tons to nearly 40,000 tons, or an increase of 570 per cent, such increase in quebracho importation showing an almost steadily rising line from 1903 to 1907. Coincident with the increase in consumption of chestnut and quebracho extracts there occurred a steady continuous drop in the selling price of chestnut extract. While there was sufficient demand to absorb the output of both extracts, it was a demand forced by the strong competition between the two materials in which the selling price of the domestic chestnut extract was sacrificed, the decrease in such selling price from 1903 to 1906 being in excess of 35 per cent.

Under the stimulus of a reduced duty upon foreign-made tanning extracts there is no reason why the importations of such material shall not continue to rise in volume until the domestic chestnut extract, through the limitation of market and lowering of selling price below cost, shall be eliminated as a source of supply for the domestic tanning industry.

PARAGRAPH 5.

On the other hand, putting the duty at an amount sufficient to cover the difference in cost of production between quebracho extract and chestnut extract will enable the chestnut-extract industry to maintain a uniform rate of increased production, as may be required by the increased output of domestic leather. Existing plants are

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readily capable of producing 50 to 75 per cent more material than they did in 1907.

Abundant timber areas to support the maximum producing capacity of existing plants are at this time either entirely within the control of manufacturers or directly tributary to the points of production.

It may be stated briefly but accurately that the producing potential of the domestic chestnut-extract industry is sufficient to supply the needs of the domestic tanning industry for a great many years ahead. The sole limitation upon the growth of the domestic chestnut-extract business is the vast area of chestnut-bearing lands within the zone of the southern Appalachian Mountains from Pennsylvania to Georgia.

It is not contemplated by the manufacturers of chestnut extract that the tanning industry of the United States shall be confined to chestnut extract as its tanning material, as the trend of the science of tanning is unmistakably toward a combination of different tanning materials in the process of manufacture. The domestic tanning industry will require quebracho extract in the future, but it is the contention of the domestic chestnut-extract manufacturer that the business of producing chestnut extract must, in order to meet properly and fully the future need for its product, have sufficient protection to offset the difference in cost of production between conditions in the Argentine Republic and in the United States.

PARAGRAPHS 6 TO 9.

Relative to the enhancement in value of chestnut-timber lands, it is a fact that previous to the utilization of this wood for extract purposes it had virtually no value, and when land timbered with chestnut was sold such timber was not considered.

In the southern Appalachian Range, which is the source of the timber furnishing the domestic extract manufacturer his raw material, chestnut stumpage could be purchased eight or ten years ago for less than $1 per acre, whereas equivalent lands at this time are selling for not less than $5 per acre, this advance being due almost entirely to the increased demand from manufacturers of chestnut extract.

In view of the emphasis given in recent years to the necessity for forest conservation we most particularly desire to direct attention to the fact that the popular idea of forest destruction does not apply to this industry. Unlike the lumberman, who takes only what can be manufactured into lumber, the extract manufacturer takes the whole tree above the ground, and instead of leaving the greater part of the wood in the forest as débris he cleans it all up, down to the smallest limbs, leaving the ground open for the growth of young timber and mimimizing the danger from forest fires. Ninety per cent of the wood is fit for no other purpose than the production of extract, and it is a fact that large quantities of it are obtained after the lumberman has taken all he can use, and what would otherwise be burned up eventually in the annual forest fires or lost by decay is diverted to a useful industrial purpose.

Chestnut wood, unlike any other native tannin-bearing woods or barks, reproduces with great rapidity. Thirty years will suffice to grow a second cut equal in volume to the virgin growth, so that a comparatively restricted area will furnish a perpetual supply for the entire needs of the domestic leather industry. As previously stated,

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a number of the domestic manufacturers have acquired forest reserves which will provide them with raw material over a long period.

The fact that chestnut timber grows upon waste steep and barren lands, which may not be diverted profitably to agricultural or other uses, is, in connection with the known rapidity of reproduction of the species, a final practical argument for fostering the use of this forest product.

In the following letter Dr. C. A. Schenck presents his views upon the forestry questions involved in this subject. It is proper to say that Doctor Schenck is the only forester in the United States who has had, during the past few years, intimate personal and professional touch with the exact facts involved in the use of chestnut timber for the manufacture of tanning extracts and the relation of that business to forest operations and forest conservation.

FOREST DEPARTMENT, BILTMORE ESTATE,
Biltmore, N. C., December 15, 1908.

CHAMPION FIBER COMPANY,
Asheville, N. C.

GENTLEMEN: In response to the queries contained in your letter of December 15, I beg to make the following statements:

1. In western North Carolina, on the property in my personal charge, comprising 180,000 acres, second growth of chestnut will be fit for removal within thirty years from the first cutting, on an average.

The forest department of the Biltmore estate, in my charge, is footing on a thirty-years' rotation in chestnut, which means to say that we intend to cut over in 1938 the same lands which we have been cutting in 1908.

2. Under conditions of careful and systematic cutting, with sylvicultural care, the average acre of land in western North Carolina produces close to 1 cord of chestnut per acre per annum.

3. Chestnut is growing from elevations exceeding 5,000 feet down to elevations of 2,000 feet. It is occupying soil unfit for agricultural purposes. It does not grow in the bottom lands along the river, whereon alone agricultural pursuits are found to be remunerative.

Chestnut is growing, and chestnut will and should be growing, on nonagricultural lands, occupying notably the northern or cool aspects of the Appalachian Mountains at altitudes running between 2,000 and 5,500 feet.

Chestnut is found usually on sloping land, which converted into farms is sure to erode viciously within ten years from the clearing. Such land, as a consequence, should be kept under forests and should never be turned over to the plow.

4. Assuming that the domestic demand for chestnut extract expands to an annual consumption of 3,000,000 barrels, an area of chestnut-producing lands of 3,000,000 acres, approximately, would be required to fill the American demand for tanning material by American chestnut extract.

5. From the forester's standpoint nothing can be better than the maintenance of a high price of wood goods.

No one will raise cotton unless it pays to raise cotton, and no one will raise chestnut in second growth unless the prospects of a remunerative outcome of the investment are good.

Forestry as a business must obey the same economic law which agriculture obeys as an economic enterprise. Goods are raised in the forest which it pays to raise.

Forestry in the southern Appalachian region will receive a very severe blow if foreign tanning materials are allowed to compete without bounds and limits with the tanning material grown on our native soil.

Unless the Congress of the United States finds ways and means to protect the financial results of forestry there will not be any forestry in the country of Stars and Stripes and dollars and cents.

Hoping that I have answered your queries, I am,

Very respectfully, yours,

(Signed) C. A. SCHENCK.

PARAGRAPH 10.

Green packer hides, as furnished by the meat packers of the United States, yield in the average 30 per cent of actual dry hide substance,

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which is convertible into leather, and in the manufacture of sole leather, which requires more tannin than any other, it has been well established that 1 pound of tannin will tan and fill 1 pound of hide substance, making with the ash, oil, fat, and moisture 2½ pounds of merchantable leather. At present market prices the chestnut tannin in a pound of leather costs the tanner 2.08 cents and the quebracho tannin in a pound of leather 1.84 cents. Now, assuming the domestic manufacturer to be able to avail himself of the full amount of the requested tariff, it means the increased cost of the leather would not much exceed one-half cent per pound, thus:

Present market.

	Cents per pound of tannin.
Domestic extract, 25 per cent tannin, at 1.30 cents per pound	5.2
Quebracho extract, 65 per cent tannin, at 3 cents per pound	4.6

Highest possible under proposed tariff.

	Cents per pound of tannin.
Domestic extract, 25 per cent tannin, at 1.65 cents per pound	6.6
Quebracho extract, 65 per cent tannin, at 4.25 cents per pound	6.55

Tannin at highest possible cost to tanner per pound of leather under proposed tariff.

	Cents.
At present cost	2.62
Increase	2.08
Difference	.54

When it is considered that the value of the hide in a pound of leather is about eight times the value of the tanning material, it will be granted that the actual slight increase in the cost of tanning material would be a negligible factor, especially as all tanners would be on the same basis. So far as the consumer is concerned, we can only say that even if a pair of average soles did take a pound of leather the increased cost due to the tariff would not much exceed one-half cent on a pair of shoes.

PARAGRAPH 11.

This paragraph of our brief of December 4 we desire to repeat:

11. That neither capital nor the application of modern science has enabled us to overcome the conditions imposed by foreign competition; that unless the principle of protection is applied to this industry those engaged in it will be forced out of business.

In our foregoing verification of paragraphs 3, 4, and 5 we have clearly shown the past and present conditions surrounding the industry of manufacturing domestic chestnut extract, and from a study of such conditions we do not derive any encouragement for the future, unless the requested duty upon imported tanning extracts is made effective. Without the intervention of the requested duty we see no possibility of continuing our business, even on its present rate of output, without considering whatever call may come in the future from the domestic tanning industry for an increased production. At this time the business is without profit, and should it so continue there will be a gradual abandonment of existing plants, a number of

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which are of very substantial construction and represent investment which it will be impossible to divert to other uses.

Committee representing

Brevard Tannin Company, Pisgah Forest, N. C.; J. M. Heald & Co, Lynchburg, Va; Juniata Extract Company, Mount Union, Pa.; Smethport Extract Company, Damascus, Va.; Southern Extract Company, Knoxville, Tenn.; Tanners and Dyers Extract Company, Charleston, W. Va.; Tellico Extract Company, Tellico Plains, Tenn.; The Champion Fibre Company, Canton, N. C.; Cherokee Tanning Extract Company. Andrews, N. C.; Excelsior Extract Company, Harrisonburg, Va.; Basic Extract Company, Basic City, Va.

M. S. ORTH, BOSTON, MASS., THINKS THAT MAKERS OF TANNING EXTRACT NEED NO INCREASE OF DUTY.

WASHINGTON, D. C.,
February 25, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I have read with much interest Messrs. Kerr and Stine's brief and statements, published in the tariff hearings of Friday, December 18, 1908, and offer the following comment for your consideration:

The greatest mistake that Mr. Kerr makes is in thinking that chestnut extract and quebracho extract directly compete with each other. This is not the case. They are, and must be used in conjunction with each other, and also with the barks and other tanning extracts. The best proof of this is, I think, that Canada, where quebracho extract is free of duty and therefore one-half cent per pound less than in the United States, is one of our best markets for chestnut extract, buying it in 100 and 200 tank-car contracts. In addition to this higher cost, the Canadian tanners pay a somewhat higher freight rate on the chestnut extract than the American tanners. Another positive proof of Mr. Kerr's error is that during the past two months quebracho extract has advanced in price eight-tenths cent to one cent per pound, or about 30 per cent, whereas chestnut extract has actually declined in price during the same time. In other words, you have the unique situation of quebracho extract having actually advanced more than the additional duty Mr. Kerr and Mr. Skiddy have asked, and yet chestnut extract has declined in price.

Mr. Kerr all through his statement referred to the price of quebracho extract as 3 cents per pound, duty paid, for 65 per cent tannin. As a matter of fact, very little, if any, was sold to the tanners at this price, but at $3\frac{1}{10}$ to $3\frac{1}{4}$ cents per pound a large quantity was sold. The price to-day is 4 to $4\frac{1}{8}$ cents per pound, and we have sold many hundreds of tons at these prices. Furthermore, it will be noted that the quebracho extract prices are between 4 and 5 cents per pound, which were the prices five years ago, according to Mr. Kerr, at which time chestnut extract, according to his statement, was selling at $1\frac{3}{4}$ to 2 cents per pound. To-day chestnut extract is selling for $1\frac{1}{8}$ to

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1¼ cents per pound in tank cars and about 1½ cents per pound in barrels.

The truth of the matter is that five years ago the chestnut extract manufacturers were making an exorbitant profit, surely 50 per cent if not quite 100 per cent, and quite naturally other factories were built and other manufacturers entered the field, with a consequent overproduction of chestnut extract. Mr. Kerr states that in 1904 there was a very large increase in the number of extract plants. There were, as I remember, nearly a dozen new plants built about that time, doubling the production of chestnut extract; and there is to-day an overproduction of chestnut extract. There is not enough leather manufactured to use the amount of chestnut extract the present factories can produce, because, as stated above, chestnut extract is not a substitute for quebracho or mangrove cutch or other tanning extracts, but must be used in conjunction with them.

However, it is my opinion that the manufacture of chestnut extract is still a good business. I can not understand Mr. Kerr's statements to the effect that his company has lost money since 1904. The Lynchburg plant is a large one, and on account of its size is supposed to have economic advantages over smaller ones. I can only say that our company, located in Virginia, not many miles from Lynchburg, has made money during every month since 1904 (except one or two months when closed for repairs), until its surplus is now 124½ per cent. In addition it has paid 50 per cent in dividends. Its earnings the past year, in spite of the panic and depression, were 30½ per cent from February 1, 1908, to February 1, 1909.

I am thoroughly convinced that the only protection the American chestnut manufacturer needs is against Mediterranean and Saxonian chestnut extract, and on account of our shipping the bulk of our extract in tank cars there is really no fear of this European competition.

I think also that Mr. Kerr's figures regarding cost of wood and labor are misleading. They might be correct if the extract factories all owned and operated their own timber tracts, but I venture to say that fully nine-tenths of the wood used to make the chestnut extract is furnished by the farmer, who uses his own teams and his own labor.

Furthermore, I am of the opinion that chestnut wood does not average $4.50 per cord cost. On our February 1 statement we have the wood all piled in the yard valued at $3.50 per cord.

The chestnut-extract business is a good business and will continue to be so, in my opinion. At any rate, we are looking for another good site for a small factory. There has not been a single failure in the business during the past twelve years to my knowledge, and also to my knowledge much money has been made by some of the companies.

It would seem very unjust and a great mistake to put a high duty on quebracho extract and other extracts with the erroneous idea of benefiting the chestnut extract business and causing instead an increased cost of $1,600,000 for shoes used by the American people, as shown by Mr. Clark, based on Mr. Kerr's own figures.

I have also read with much interest Mr. W. W. Skiddy's letter of December 4 to the Ways and Means Committee. He says that the Argentine Republic manufacturers are selling their quebracho extract at 2½ cents per pound and "making money." In this I am

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sure he is incorrect. Some extract was sold for 2½ cents per pound in bond, equal to 3 cents duty paid, but I have never heard of anyone before saying that they thought there was anything but a loss to the manufacturers at this price.

He also says that if his request for a higher duty is granted it would make the price of quebracho extract 4¼ cents per pound, duty paid, which presumably would be satisfactory to him. As already stated in this letter, the price of quebracho extract is to-day 4 to 4⅛ cents per pound. This is for the untreated extract. I understand that the treated extract commands a price about one-half cent per pound higher. Therefore, it would seem that Mr. Skiddy has already received what he has asked for, and the indications are that quebracho extract will advance in price even more.

I think that Mr. Skiddy's statement, the same as Mr. Kerr's and Mr. Stine's, that without an additional duty they can not continue in business is entirely without foundation. Prices of extracts during the panic and depression were low, as were the prices of most all commodities, but with improved conditions they should gradually increase.

MANGROVE CUTCH.

I have a special word to say with reference to mangrove cutch. This extract is made in the island of Borneo from the bark and small limbs of the mangrove and tengah trees. The bark is different from our hemlock and oak barks, in that it breaks off of the trees in very small pieces, about as large as the hand, requiring much labor to collect. Furthermore, the bark has to be kiln-dried, in order to prevent oxidation and produce an extract suitable for tanning purposes. It is utterly impossible to overcome the expenses and the damage to the bark sufficiently to admit of shipping the bark itself from Borneo to America, and in converting the bark into an extract in Borneo it is practically a raw material put into condition to ship.

There is no mangrove cutch made in the United States, and none can be made profitably from the Florida bark. Some mangrove bark is imported from Africa of an inferior quality, but in some parts of Africa the peeling of the bark from the mangrove tree is being prohibited, and the price of mangrove bark has advanced considerably.

This mangrove cutch made in Borneo directly takes the place of our native hemlock and oak bark, and is therefore, as I have already pointed out to you, of the utmost value to the United States as a means of preserving our bark supply and preventing the destruction of our forests. Mangrove cutch requires that an additional quantity of quebracho extract or chestnut extract be used with it, and is therefore a boon to Mr. Skiddy and the chestnut-extract manufacturers, though they do not seem to be practical enough to realize it.

The situation in the mangrove cutch business is just this: In 1901 the Board of General Appraisers of New York decided in two cases that mangrove cutch is entitled to entry into the United States free of duty under clause 542 of the Dingley tariff bill. Based on these decisions two English companies erected expensive extract plants in Borneo for the manufacture of cutch for the tanning trade, and a third company, which had been making cutch for net dyeing, increased its capacity and improved its product for the tanning trade. In 1906 the Treasury Department ruled that the material was dutiable at seven-

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eighths cent per pound. This was absolutely prohibitive, and one of the two large companies dismantled its plant and wrote off about $200,000 loss. We contested the Treasury Department's ruling, and last fall the Board of General Appraisers decided unanimously that mangrove cutch is properly a cutch and entitled to entry free of duty. In spite of these three decisions, based on two of which the large investments were made, and in spite of the fact that Congress was to revise the tariff when the question could be definitely settled, the Treasury Department appealed from the board's decision. The result is that the largest mangrove cutch company remaining has ceased operations for the time being, and if the new bill carries a duty on mangrove cutch this company will dismantle, as did the other one.

Aside from its being unjust to these English concerns who invested their money in good faith, relying on the uncontested appraisers' decisions to impose a duty, it is, as I have tried to show you, of the greatest importance that every encouragement be given mangrove cutch, as it directly takes the place of hemlock and oak barks, and if 10,000 tons per year were used it would mean, directly and indirectly, the substitution of 160,000 to 400,000 cords of bark, causing, as it would, the consumption of 10,000 to 40,000 tons of quebracho and chestnut extracts.

Mangrove cutch should certainly come in free of duty. In my opinion it would be a wise expenditure, were it necessary, for the Government to pay a bounty on all mangrove cutch imported into the United States on account of the beneficial reasons given above.

VALONIA EXTRACT.

There is only one factory making this extract. It is located in Smyrna, and makes the extract from the valonia burr. There is no valonia extract made in the United States, and, in fact, there is but little of the valonia itself imported into the United States, although it is a valuable tanning material and quantities are used in Europe. I think this valonia extract should be allowed free entry into the United States on account of its advantages to the tanners and noncompetition with home industries.

MYROBOLAN EXTRACT.

There is one factory in India, near Calcutta, making this extract in the solid form containing 50 to 55 per cent tannic acid. There is a little myrobolan extract made in the United States in the liquid form out of the myrobolan nuts which are imported from Calcutta and Bombay. In case any tanning extract is to pay a duty, I presume that myrobolan extract should pay the minimum duty, in order to protect in a moderate way the domestic manufacturer.

In this connection I might say that my firm is the largest importer of this solid myrobolan extract and that we do not manufacture a pound of myrobolan extract in the United States, but the manufacture of myrobolan extract in the United States would seem a reasonable and logical business proposition, much more so than the manufacture of quebracho extract. My reasons are that the myrobolan nut contains 30 to 40 per cent of tannic acid and requires only about a pound and a half to produce 1 pound of the myrobolan extract.

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Furthermore, the freight on the nuts from India to America is less than it is on the extract. It is therefore easy to protect the American manufacturer without unduly burdening American leather manufacturers.

There are two noticeable tendencies in the extract business and the tanning business as related to extracts, namely, the continual gradual increase in the cost of raw materials and tanning extracts, and, secondly, the necessity of using several different kinds of tanning materials, especially extracts, instead of only bark, in order to produce the best leather. It is therefore my opinion that it is wisest to keep this country open to the free importation of raw materials and tanning extracts, in order to lengthen the life of our native tanning materials and keep down the cost of American-made leather, in addition to the important reason already given, namely, the prevention of the destruction of our forests.

The domestic chestnut extract manufacturer needs no protection, and as regards the one or two quebracho extract manufacturers, the protection which Mr. Skiddy asks (for I do not see anywhere that the New York Tanning Extract Company has asked for a duty, and since they have a large factory in South America, which was a logical move on their part, they may not desire a duty) seems to be all out of reason, since he wishes to bring a bulky log from the center of South America to New York, paying four times the freight on it that an extract made in South America from the log would cost, and in addition to this great excess of freight, something like a claimed 100 per cent difference in labor cost. Besides which, as already shown, the advance in the price of the South American quebracho extract during the past two months has been as much as the additional duty asked by Mr. Skiddy.

Mr. Skiddy may claim that this increase in price has been caused by a combination of the extract manufacturers of South America and that they have also advanced the price of the quebracho log, and that therefore he needs still the protection of the duty asked. If he claims this, he admits that his business is an illogical one, and it would seem apparent to anyone that no matter what the duty on the extract might be he would be at the mercy of the South American, who controls not only the extract but the log. On the other hand, if he does not claim that the South American controls the log as well as the extract, then, as shown, he has already received the advantage he has asked for inasmuch as the South American extract has advanced as much as the additional duty he asked.

In support of my assertion that tanning extracts are universally advancing in price, I give below copies of a letter sent out to the American chestnut manufacturers by one of their number, and of the articles which appeared in the Hide and Leather issue of January 30, 1909, and the Leather Trade Review of London, issue of January 13, 1909.

EXHIBIT A.

FEBRUARY 1, 1909.

GENTLEMEN: We herewith submit for your consideration two articles recently published in the leading English and American leather-trade journals, which indicate the trend of the foreign extract business is toward higher values universally.

This situation, taken in connection with current events, warrants us in suggesting that as there is a strong probability of better prices for domestic extract in the near

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future it would be good policy to await developments before closing contracts for goods to be delivered later than June, 1909, or quoting prices on extract with delivery commencing later than June, 1909. Supporting this policy, we shall not contract for 1910 deliveries nor for deferred 1909 deliveries excepting at prices which guarantee a satisfactory margin.

Yours, very truly,

——— ———.

EXHIBIT B.

[From Hide and Leather, January 30, 1909.]

Quebracho extract is growing firmer, and prices tend toward a high level. A prominent dealer states that this extract has been sold too cheaply for many months, due to severe competition in the primary market. The fight in producing centers is now over, and prices are seeking a more profitable level.

EXHIBIT C.

[From Shoe and Leather Reporter, Boston, January 21, 1909.]

There seems to be a great deal of anxiety in Europe at the present time in connection with the future of the tanning-extract business. As we have pointed out, the French and German Governments are contemplating measures which will have the effect of putting a stop to the wholesale destruction of timber which has been going on by timber merchants, paper makers, pulp-board makers, and, last but not least, the makers of tanners' extracts. Whole tracts of forest land have been cleared in the south of France, and in some cases the climate of the country has been adversely affected by this denudation of forests. The danger of invasion seems also to have been much increased by stripping the mountain sides of timber; in fact, there is every reason to believe that in the near future the supply of timber for extract making will be much curtailed.

In France we learn active steps are now being taken by the makers of chestnut extract to protect their interests, in view of possible developments. A meeting has been held lately in Paris of all the principal men engaged in the industry, at which unanimity on most questions relating to the industry prevailed. A liberal programme of activity was put forward, and a strong endeavor will be made to improve as far as possible the conditions of the extract business.

This programme runs as follows:

(1) To assist and cooperate with the public authorities and by other means to help in the reafforestation of France with oak and chestnut trees.

(2) To assist the development of the French industry of tanning and dyeing extracts manufacturers by an inquiry to economic conditions which, in keeping with their own interests, are the most favorable to consumption in France and abroad.

(3) To intervene in the general interests of the French extract industry with the Government, chambers of commerce, railways, administrations, etc.

(4) To arbitrate in all the disputes voluntarily brought before the syndicate or dismissed by the tribunals.

The above is a precise of the objects of the syndicate, and is signed by the president, Edouard Roy, and Alexis Roy, secretary.

It looks, therefore, that there is a very strong movement in the extract business, which will end in a considerable advance in prices. Much of the business done this last few years in tanning extracts has been of a decidedly unprofitable nature; so much so that several of the smaller French and Corsican makers have been forced out of the business. The position should be borne in mind by the American users of imported extract, and their policy should be shaped accordingly. The movement toward combination is also noticeable in South America, where steps are being taken toward a unification of the quebracho interests. Several meetings have, we believe, been held, and importers do not seem lately to have been able to get even regular quotations for future deliveries of quebracho wood or extract.

Again, it must be remembered that a deal of money has also been lost in connection with the tropical mangrove extract industry, and we believe some of the London concerns would like to shut down on the business at once if they could get out without running the risk of more severe losses than has hitherto been the case.

Perhaps, after all, this question of tanning extracts may have more interest for European tanners than for our own. All the same, it is necessary to remember that

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we are year by year importing more foreign chestnut and oakwood extracts, quebracho, etc., while another important point to domestic tanners lies in the fact that it is admitted British and German tanners have only made headway against imported American leather by the free use of concentrated extracts, such as we have been discussing. If the supply is rendered dearer, or seriously curtailed, it is difficult to see what the effect will be on the European tanning industry, but in any event we in America can afford for many years yet to await events without any great amount of anxiety.

EXHIBIT D.

[From the Leather Trades Review, London, January 13, 1909.]

A most important meeting of manufacturers and others interested in the continental extract business was held in Paris on the 24th ultimo. The proposed government restrictions on the amount of available timber to be utilized, and the threatened legislation on the subject, are making the future full of anxiety, and a united effort is to be made toward the betterment and protection of the extract industry. We shall probably deal with this important matter at greater length in a subsequent issue, but meanwhile a perusal of the objects of the proposed combination, of which E. Edouard Roy is the president, will show tanners how necessary it is to cover their requirements ahead as far as may seem reasonable. The objects of the syndicate are stated to be:

(1) To assist and cooperate with the public authorities and to use all other means in the reafforestation of France with chestnut and oak trees.

(2) To assist in the development of the French extract industry by research into economic conditions, which, in keeping with its own interests, are the most favorable to the consumption of extracts in France and abroad.

(3) To take action in the general interests of the French extract business in its relations with the Government, chambers of commerce, railways, administrations, etc.

(4) To arbitrate on disputes brought before the syndicate or dismissed by the laws of courts.

The feeling seems general on the Continent that, owing to the unfavorable conditions under which the extract business has been carried on for some time, that prices are likely to be substantially advanced under the new syndicate's régime. It is also useful to bear in mind the fact that there is also a movement on foot toward a combination of the exportors of quebracho wood and extract in South America, so that there unfortunately seems every prospect of an era of higher prices in the extract business, a fact of which tanners should take careful note.

Respectfully submitted.

M. S. ORTH
(Of Marden, Orth & Hastings, Boston, New York, and Chicago).

M. S. ORTH, BOSTON, MASS., SUBMITS LETTER OF J. GORDON PARKER, BERMONDSEY, ENGLAND, RELATIVE TO THE PROPER DEFINITION OF CUTCH.

WASHINGTON, D. C., *February 25, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I refer you to my letter of December 30, 1908, in which I stated that I had written to Dr. J. Gordon Parker asking him to substantiate his statement regarding the meaning of the word "cutch," and I have the pleasure of giving you herewith his reply, recently received, regarding this:

LONDON LEATHER INDUSTRIES LABORATORY,
HEROLD'S INSTITUTE, DRUMMOND ROAD,
Bermondsey, February 2, 1909.

Messrs. MARDEN, ORTH & HASTINGS.

DEAR SIRS: Your favor of the 12th ultimo, with copy of your letter sent to the Ways and Means Committee at Washington, came duly to hand. In reply to the same, I have made careful inquiries at the British Museum and of some Indian authorities as to the

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exact meaning of the word "cutch." I can not get any printed or documentory evidence that would definitely prove your statement, but I find that the word "cutch" comes from the Bengali word "cutcha," or "cutha." This material was a paste made by boiling down certain trees, or the pith of certain trees, in Bengal and Burma, and this paste was spread on betel-nut leaves. A certain amount of lime is added, and the whole leaf turns red. The natives chew this. In other words, this was a paste which they used to put upon betel-nut leaves.

I can not find that the word "cutch" in Hindustani means paste, and I have evidently been misled in this, although that statement is made in more than one dictionary and in certain books of tanning. It evidently comes from one of the other Indian languages, viz, Bengalese, or the language spoken in some parts of Burma and Bengal, where cutch was originally made.

At Singapore the word "cutch" means paste, and it is a common custom to have orders from native firms given for extract or other material worded, "We prefer to buy the extract in cutch form than in liquid form," meaning that they prefer an extract of a pasty nature rather than of a liquid nature.

I have at the present time studying with me three graduates from Indian universities who are natives, and I asked each one separately the meaning of the word "cutch," and they all understand it as meaning a pasty extract made from the pith, the bark, or the wood of certain trees, and that it is a generic name for any pasty extract made by boiling the leaves, bark, wood, or pith of different plants and trees.

Cutch catechu definitely means a cutch made from acacia catechu. Uncharia cutch means a cutch made from the uncaria gambier, or, as we know it more in tanning terms, gambier cutch or gambier. Then there is the cutch made from the arabica, cutch made from tengah or tengah cutch. There is also a cutch made from the turwahr; and we have mangroce cutch, which is made from the pure mangrove tree, and that differs materially as to whether it be made in Borneo, in India, or in West Africa.

It must be clear to the authorities at Washington that the word "cutch," if not followed by a specific indication, such as cutch catechu or cutch arabica, must mean the whole series of different cutches which have been made for years from different trees.

I was very much surprised in reading the report of the recent trial to find that some of the American chemists could not find catechin in the cutch they examined, especially as both Professor Proctor and myself were able to find it in pretty large quantities.

Yours, faithfully, J. GORDON PARKER.

GLUE AND GELATIN.

[Paragraph 23.]

JAMES POLLITZ, NEW YORK CITY, RECOMMENDS A DUTY OF TEN PER CENT ON ALL GLUES AND GELATINS.

232 FULTON STREET,
New York, January 18, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As an importer of gelatin, and having been unable to appear before your committee in person, I beg to submit the following for your consideration:

With reference to Schedule A, paragraph 23, of the present tariff act, it is of course apparent that the tariff imposed upon any article which goes into direct consumption, or may be used as a raw material in producing another article, is indirectly paid by the consumer.

After reading the account of some of the hearings had before you and briefs submitted, it appears to me that many of the manufacturers in this country of products of which a high-grade gelatin is used as a raw material are urging an increase in duty on the manufactured and finished article. To me it seems clear that they are

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not giving due consideration to the fact that they are handicapped by the high duty on the raw material.

For instance, gelatin which they are using is of a high grade, and on the basis of cost in Europe of 35 cents a pound minimum the duty is 20 per cent ad valorem and 15 cents a pound, or 22 cents on foreign cost of 35 cents, which is about 63 per cent, which is the amount the American manufacturer has to pay for his raw material more than his competitor in Europe.

On gelatin for eating purposes the tariff of 20 per cent and 15 cents a pound becomes almost prohibitive, with the result that the best and purest gelatin, which is used largely in Europe for such purpose, is excluded from this country and the inferior grades used in their stead. I respectfully submit that no such protection is necessary, as there is scarcely any gelatin made in this country which is sold as high as 35 cents a pound, and the grades made in this country are produced cheaper here than in Europe.

A uniform tariff of 10 per cent ad valorem on all glue and gelatin would fully cover any difference in cost of labor.

In my opinion the revenue under such a tariff would soon be greater than under the present act, as it would give a stimulus to our industries and soon place our manufacturers in a position to compete with foreign manufacturers on finished articles.

Very respectfully, yours, JAMES POLLITZ.

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY ON BEHALF OF THE IMPORTERS OF FRENCH GLUES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to submit to your honorable body the following remarks:

We believe that the duty now collected on glues worth 10 cents or less per pound, which amounts to 40 per cent on the qualities usually employed, and the duty of 25 per cent ad valorem on glues ranging from 10 cents to 35 cents per pound, and the duty of 15 cents per pound plus 20 per cent ad valorem on glues worth 35 cents and above are excessive.

For the first class, or the glues worth 10 cents or less per pound, the raw material counts for less than the workmanship, and said workmanship has increased very materially in France since the Dingley tariff has been enacted, having passed from 3.50 to 5 francs a day in that industry, and if Congress is to take into consideration the cost of producing in foreign countries, it seems that this duty of 40 per cent should be reduced to 25 per cent.

For the second category of goods it seems that the duty ought to be reduced from 25 to 12½ per cent, since the Treasury admits now glue stock free of duty, and therefore glue costs to-day considerably less than it used to, and an actual duty of 12½ per cent on the imported article would be equivalent to-day to 25 per cent at the time the Dingley Act was enacted.

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These remarks apply also to the more expensive class of glue, or fine gelatines, in the confection of which women are principally employed, and their salary has nearly doubled during the last ten years. The argument above invoked would therefore apply to this case, and we would ask that glues above 35 cents should be submitted only to a specific duty of 15 cents per pound, which would give ample protection to the domestic manufacturers.

Trusting that you will give this matter your kind attention, we remain, gentlemen,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

LICORICE EXTRACT.

[Paragraph 29.]

JOHN W. YERKES, WASHINGTON, D. C., FILES SUPPLEMENTAL STATEMENT RELATIVE TO IMPORTATIONS OF LICORICE.

WASHINGTON, D. C., *March 9, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

DEAR SIR: Representing the Independent Tobacco Manufacturers' Association of the United States, I had the honor to appear before your committee last November and presented the request of the association that the duty on licorice extract or paste be removed and same be allowed to enter this country absolutely free of custom dues.

At that time the question was asked as to the amount that was imported. I was unable to answer the question, but said that I would give the committee that information.

I find from a report made by the Bureau of Manufactures that in 1906, 583,342 pounds of licorice extracts were imported, of a total value of $95,451. During the same year there was imported free of duty 102,000,000 pounds of licorice root. In 1907, 692,739 pounds of licorice extracts were imported, of the value of $77,984, and 66,000,000 pounds of the root imported.

You will recall that in 1902 or 1903 the American Tobacco Company, or its allied companies, secured virtually an absolute monopoly of the licorice business, and the independent tobacco manufacturers were compelled to purchase from them.

In the testimony given by James B. Duke, president of the American Tobacco Company, at the trial in New York under indictments found against MacAndrews & Forbes Company and J. S. Young Company, for violation of federal law because these concerns, owned by the tobacco trust, were restraining interstate trade and commerce in licorice paste, and had formed a monopoly, he admitted that the Continental Tobacco Company owned about one million of the preferred and two million, or nearly 70 per cent, of the common stock of MacAndrews & Forbes Company, and that they had purchased the J. S. Young Company and tried to purchase the licorice business of a Mr. Lewis, virtually the only other competitor; that after these purchases were made, in May, 1904, the price of licorice paste was

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raised to 9 cents per pound, and in August of the same year the price was raised to 10 cents a pound.

Under these indictments the jury returned a verdict of guilty, as against the MacAndrews & Forbes Company and J. S. Young Company, which, as I said, were in fact owned by the American Tobacco Company.

From information believed to be reliable I can state that fully 90 per cent of the licorice made in this country from the imported root is either made by the American Tobacco Company or plants which it controls.

The independent tobacco manufacturers believe that if the duty of 4½ cents per pound should be removed from licorice paste that it would aid in destroying this monopoly and would reduce the price of licorice paste, because then large amounts of it would be imported which, under existing conditions, can not be done.

I inclose herewith a number of letters sent me by various independent tobacco manufacturers bearing upon this subject and showing their interest in the subject and their desire that the duty on licorice paste should be removed.

Trusting that your committee can meet the wishes of these citizens and manufacturers, and which can be done without appreciable loss to the revenues of the Government, I am,

Very respectfully, yours,

JOHN W. YERKES.

EXHIBIT A.

17TH, 18TH STS., GLENWOOD AND LEHIGH AVES.,
Philadelphia, Pa., November 21, 1908.

Hon. J. W. YERKES,
Washington, D. C.

DEAR SIR: We have been advised by Mr. Campbell, of the United States Tobacco Company, that he is trying to have licorice paste placed upon the free list. We surely approve of this, as we feel the independent tobacco manufacturers should have some market outside of the trust from whom to buy licorice paste.

Very respectfully,

FRISHMUTH BRO. & CO. (Inc.),
H. D. MILLER, *Secretary.*

EXHIBIT B.

BRUNSWICK, MO., *December 8, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: We understand that there is a movement on foot to put licorice paste on the free list so that independent tobacco manufacturers may be able to buy licorice paste from foreign manufacturers without paying the excessive duty of 4½ cents a pound. We are very much in favor of this movement and believe that it would be a just one, owing to the fact that the output of licorice paste in this country is practically controlled by a monopoly which is under the control of the American Tobacco Company, who, in turn, has in its power to force independent tobacco men to pay an excessive price for all the licorice they use and under the present tariff schedule are aided in this regard by the Government.

Any favors you might show this matter will be personally appreciated by us and of great importance and assistance to us in our business.

Thanking you in advance for any kindness you may show us, we beg to remain,

Yours, truly,

BRUNSWICK TOBACCO CO.,
By J. M. BARKER, *Treasurer.*

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EXHIBIT C.

UTICA, N. Y., *November 21, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: We wish to thank you for your action before the Ways and Means Committee in requesting them to put licorice paste on the free list. As every one knows, the manufacture of licorice paste in this country is practically controlled by the American Tobacco Company, for their own benefit, and it seems to us that it would be only fair to the independent manufacturers of tobacco of the country that the paste should be allowed to come in free of duty. We understand that licorice root is already on the free list. We certainly are in favor of this action.

Very truly,

L. WARNICK BROWN & CO.,
By L. W. BROWN.

EXHIBIT D.

LYNCHBURG, VA., *December 8, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: I am advised by our Hugh Campbell, of the Independent Tobacco Manufacturers' Association, that you are endeavoring to get the matter before the Ways and Means Committee for the withdrawal of the duty on licorice paste of 4½ cents a pound. We sincerely hope that you may be successful in this movement, as it would place the independent tobacco manufacturers in such a position that we would not be dependent on the subsidized licorice companies of the United States, the most of which at this time are controlled by the American Tobacco Company. We sincerely hope that you may be able to get this bill before the Congress of the United States, and assure you we would be glad to cooperate in any way possible for the furtherance of the same.

Very truly,

BOOKER TOBACCO CO. (Inc.).
By G. M. BOOKER, *President.*

EXHIBIT E.

WINSTON-SALEM, N. C., *December 4, 1908.*

Hon. JNO. W. YERKES,
Washington, D. C.

DEAR SIR: We are advised by Hugh Campbell, president of the Independent Tobacco Manufacturers' Association, that he had requested you to appear before the Ways and Means Committee, and urge upon it the necessity of putting licorice paste on the free list, and we heartily concur in Mr. Campbell's request.

No better lesson could be taught the licorice trust than to wipe off the import duty on licorice paste.

Yours, very respectfully,

BROWN & WILLIAMSON TOBACCO CO.,
By W. R. LEAK, *Secretary and Treasurer.*

EXHIBIT F.

LOUISVILLE, KY., *November 28, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: We are in receipt of a letter from Hugh Campbell, president of the Independent Tobacco Manufacturers' Association, relative to having licorice paste placed on the free list, and in this connection would say, we wish to indorse this measure, and would be very glad to have this done if it is possible.

Hoping you can assist in the matter, we remain,

Yours, respectfully,

RYAN-HAMPTON TOBACCO CO.

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EXHIBIT G.

339-353 CENTRAL AVENUE,
Newark, N. J., November 24, 1908.

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: The Independent Tobacco Manufacturers' Association of the United States have requested the Committee on Ways and Means to put licorice paste, which now pays a duty of 4½ cents per pound, on the free list. In bringing this matter to your attention we desire to say that we heartily indorse the association's action for reasons as follows:

Licorice root is imported into this country free of duty, and the greater part of it is manufactured into paste by a trust which the courts have declared a monopoly in restraint of trade.

The tobacco manufacturers of the country are compelled to purchase licorice paste from this combine at prices which they see fit to impose.

Tobacco manufacturers should have the benefit of free paste for the reason that the importation is now very limited, and if placed upon the free list the revenue of the country will not be greatly reduced, and it would put the independent manufacturers in a position to have more than one source of supply.

It seems to us that this matter is worthy of your earnest consideration, which we respectfully request.

Yours, very truly,

CAMPBELL TOBACCO CO.,
HENRY S. PFEIL, *President.*

EXHIBIT H.

READING, PA., *November 24, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: I understand you are familiar with the condition of affairs in regard to licorice paste.

At the present time there is a duty of 4½ cents a pound on same, whereas the raw product from which it is made is admitted free, and the manufacture of same is really a simple process.

Through the Government's fight the licorice trust was or is supposed to be dissolved, and through that dissolution the price of licorice paste, which had been almost doubled, has been reduced to almost a normal price, or at least price prevailing prior to the buying up of the different manufactories by the tobacco trust or their affiliated companies.

As a tobacco manufacturer, it is absolutely necessary for me to have licorice paste, and at the present time the price may be put up almost to a prohibitive price at any time, and to assure us an open market it is necessary for us to have free trade on this article.

Hoping you will give this your kind attention, I close.

Yours, truly,

GEORGE W. GREEN.

EXHIBIT I.

MARTINSVILLE, VA., *November 20, 1908.*

Hon. JOHN W. YERKES,
Washington, D. C.

DEAR SIR: We have a letter from the president of the Independent Tobacco Manufacturers' Association stating that he was present at a meeting before the Ways and Means Committee a few days ago, and at the request of the association ask that licorice be put on the free list. The licorice business is now controlled in this country by the trust, and all independent tobacco manufacturers are compelled to buy from them. We think it would be of inestimable value to the independent tobacco manufacturers for the duty to be taken off licorice and put on the free list.

We hope you will use your influence in having this done. We beg to remain,

Yours, very truly,

SPARROW & GRAVELY TOBACCO CO.,
By J. D. SPARROW, *President.*

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BARYTES.

[Paragraphs 44 and 489.]

CHARLES J. STAPLES, OF BUFFALO, N. Y., FILES LETTERS RELATIVE TO THE FOREIGN BARYTES INDUSTRY.

BUFFALO, N. Y., *February 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Regarding tariff on barytes. Since appearing before your committee I have endeavored to get for your use reliable data. Herewith I send to you correspondence had with Hon. Robert P. Skinner, consul-general at Hamburg, Germany, and others.

From these statements submitted facts of importance for a proper revision of the tariff on barytes appear. I specially call your attention to the following:

A pool has been formed by German producers of barytes to maintain prices. See inclosed letters from Consul-General Skinner, of Hamburg, and Consul Fee, of Bremen.

I also refer you to the British Diplomatic and Consular Reports, No. 2821, page 9, which says:

Barytes is found in considerable quantities in the Harz Mountains, chiefly in Lauterberg and the neighborhood and in Thuringia. A syndicate has been formed with a view to regulate the prices, which are merely nominal, as the syndicate has in this respect not obtained its object. There is a prospect in the early future of the trade in this article being widely developed

If "the mining as well as the entire trade in this article is in the hands of a syndicate," as stated by American consul, Hon. William T. Fee, in his letter of December 28, 1908, then the only way to save the American barytes market along the Atlantic seaboard from foreign monopoly is by a tariff high enough to insure free competition to Americans.

By actual business quotation barytes delivered in New York, duty paid, was, on January 29, 1908, offered for $5.83 per ton. It can safely be assumed that the quotation included profit. Reference to statements submitted to your committee shows that domestic barytes dug by American labor at American wages can not be delivered in New York for less than $9 to $12 per ton.

With an efficient pool or syndicate now in force, as indicated by United States officials, the sales price on barytes imported will be arbitrarily advanced to the sole profit of the foreign syndicate. Is it not a wise policy to establish a duty on barytes which at once will give good revenue to the Government and which, by protecting American competition, will keep down for the consuming public prices which otherwise might become monopolistic?

The rule clearly stated by President-elect William H. Taft should be applied in fixing the tariff duty on barytes. At the Ohio dinner in New York City, Mr. Taft said:

The measure of the tariff should be the difference between the cost of production of the article in this country and such cost abroad, and in the estimate of the cost of production abroad and in the estimate of the cost of production here there should be

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included, among other elements, what is regarded in each place as a reasonable manufacturer's profit.

The cost of production of unmanufactured barytes in this country delivered at New York is, per ton	$9 to $12
The cost of production of unmanufactured barytes from abroad delivered at New York is, per ton	4 to 6
The difference between the cost of domestic production and foreign production is, per ton	5 to 6
The cost of production of manufactured barytes in this country delivered at New York is, per ton	17 to 21
The cost of production of manufactured barytes from abroad delivered at New York is, per ton	7 to 9
The difference between the cost of domestic barytes and foreign barytes is, per ton	10 to 12

The wages paid, the capital involved, the interest, and other charges are all greater in America than abroad. American producers, under present conditions, have in no instance received "a reasonable manufacturer's profit." Failure in most cases has resulted from the unequal competition.

To conform with the established policy of tariff revision the tariff duty should be fixed as follows:

On unmanufactured barytes, per ton	$5
On manufactured barytes, per ton	12

Respectfully submitted.

CHARLES J. STAPLES.

EXHIBIT A.

HAMBURG, GERMANY, *November 30, 1908.*

Messrs. STAPLES, NOONAN & STAPLES,
736 Ellicott Square, Buffalo, N. Y.

GENTLEMEN: I have the honor to inclose herewith such information as I have been able to obtain without delay, in reply to your inquiry of November 16. It is impossible to transmit the reply in time to arrive before December 1.

[a] I am asked to supply information respecting the cost of barytes, which, in hearings before Congress, were said to be worth $2.78 per ton at the foreign seaports in 1885. This material is used almost exclusively in the paint trade, being ground and mixed with white paint to give it body.. The best grades from the Harz and Thuringian mountains are naturally white and can be used without first being bleached. To some extent these grades are utilized in the porcelain and white-glass industries. The cheaper grades of barytes come from the Rhine, are shipped in crude form, and these, both hard and soft, are shipped to the United States, where they are treated chemically and made white. Barytes from the Rhine and from Newfoundland has 96 per cent of barium sulphate.

Hamburg exporters invariably buy on terms delivered at seaboard. The prices to-day are from $5.47 to $5.71 per ton. The ocean freight from seaboard to New York runs from $1.70 to $2.19 per ton. The German rate from mine to seaboard, shipments being made in large barges, is from $1.19 to $1.42 per ton. This would bring the price to-day at the mine from $4.05 to $4.52, according to circumstances.

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[a] The exporting points for barytes in Europe are Rotterdam, Antwerp, and Hamburg, especially the first named. There are many mining firms in the business, and they have formed a pool to maintain prices and to apportion the tonnage. Exporters tell me that they get the same quotations from all producers, who turn back orders when their quota is reached.

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Miners find that their profit out of the figures last named. What that profit is must be left to conjecture. Since the pooling arrangement referred to above, prices have been advanced, so I gather, from $0.50 to $0.75 per ton. It is hardly unfair to assume that the most of this advance is profit, although labor cost, I believe, has also advanced. It is dangerous to conjecture on subjects like this. Exporters work on a narrow margin and frequently find their profit by waiting for a good freight rate.

ROBERT P. SKINNER, *Consul-General.*

EXHIBIT B.

BREMEN, GERMANY, *December 28, 1908.*

CHARLES J. STAPLES, ESQ.,
Attorney and counsellor at law,
736 Ellicott square, Buffalo, N. Y.

DEAR SIR: Confirming my letter of December 2, and in further reply to your inquiry of November 16, wherein you stated that you had been requested by the Ways and Means Committee, which is investigating conditions for tariff revision, to submit a brief upon barytes, I now beg to communicate to you such information in regard to this subject as I have been able to gather.

Barytes is mined in Thuringia, and the mining as well as the entire trade in this article is in hands of a syndicate. As I had expected, the syndicate refused any and all information as to the cost of production, but indirectly I learned the following:

Barytes can be bought at Bremen at 33 marks per metric ton, in car at railroad station; the expenses for loading into vessel amount to 1 mark per ton; if shipped in bags, 3 marks for bags (100 kilograms each) have to be added. The sea freight for barytes in bags to Baltimore, Galveston, and Savannah, on Lloyd steamers, is 9 shillings per ton, but, as the North German Lloyd does not take barytes in bulk, no shipments of this article are made from this port. The freight from the Thuringian railway station to Bremen, which is included in the aforementioned price of 33 marks, is 9.50 marks per ton. The railway freight from Thuringia to Nordenham, another Weser port, whence large quantities of barytes are shipped in 4,000 and 4,500 ton lots amounts to 11 marks per metric ton, and the sea freight from this port for barytes, either in bulk or in bags, to southern or Gulf ports, amounts to 6 to 7 shillings per metric ton, while the transfer costs at this port amount to from 4 to 5 marks per ton.

According to German statistics, during the year 1907, 19,540 metric tons of barytes were exported to the United States, valued at 782,000 marks, or about 40 marks per metric ton, 1 mark being 23.8 cents.

Very respectfully yours,

WM. THOS. FEE, *Consul.*

EXHIBIT C.

The W. H. FALES COMPANY,
62 Maiden Lane, New York City.

GENTLEMEN: I address you, having been advised that you have had experience as importers of German dry earth colors, and hoping that you can furnish me information regarding the importation of barytes, and possibly some facts regarding lithophone. It is my desire to have presented to the committee on Ways and Means now considering tariff revision correct data on which they can justly formulate proper tariff. Will you be so kind as to advise me in reference to the following questions:

First. The cost laid down at the port of New York of crude German barytes ore and the cost of German lithophone laid down at the port of New York.

Second. What would be the effect of $5 duty on the crude barytes as regards the manufacture of lithophone?

Third. What is the importance of the various uses of barytes and lithophone?

Thanking you in advance for your prompt attention, I remain,

Yours, very truly,

CHARLES J. STAPLES.

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EXHIBIT D.

NEW YORK, *January 2, 1909.*

MR. CHAS. J. STAPLES,
Attorney, 736 Ellicott Square, Buffalo, N. Y.

DEAR SIR: Replying to your valued favor of the 30th ultimo, we answer your letter by giving the following facts:

The cost of a good grade of crude German barytes c. i. f. the port of New York is 23.50 marks per 1,000 kilos, or in our currency $5.08 per ton of 2,000 pounds. This price includes the original cost of the goods as mined in Germany, the freight and handling charges from the mine to seaboard in Germany, shipping charges, freight charges from seaboard in Germany to the port of New York, and cost of marine insurance; in other words, it is the net cost of the goods to the importer here in New York; to which cost, however, would have to be added the present tariff, which is, we believe, about 75 cents per ton, making the total net cost to the New York importer $5.83 per ton of 2,000 pounds, duty paid. This price applies to direct shipments of 200 to 500 tons at a time. The above-mentioned barytes tests from 96 per cent to 99 per cent of true barium sulphate ($BaSO_4$), containing only small quantities of iron and silica (SiO_2), and this grade of barytes is used very extensively in Germany for the manufacture of lithopone.

The above price was quoted to us on January 29, 1908, by the firm of Johann Schmelzer, Meggen, western Germany, who are, from information furnished to us from our correspondents in Germany, considered to be one of the largest and most reliable miners of crude barytes ore in Germany. Kindly find attached letter of Johann Schmelzer, dated January 29, 1908, confirming the above-stated facts and quotations. As this letter was written about one year ago, there most likely has been some slight change in price since then, due to market conditions, but as far as we know there has been no radical advance in cost.

From statistics which we have compiled ourselves from data taken out of the list of importations in the Oil, Paint, and Drug Reporter, which is the recognized authority in the chemical and paint trades, we find that during the year 1907 there was imported into this country through the ports of New York, Boston, New Orleans, Philadelphia, and Newport News, which are the principal ports of entry of chemical products into the United States, 8,208 tons of manufactured barytes and 5,357 tons of crude barytes. The manufactured barytes is such as is used by the paint manufacturers, while the crude barytes, we think we can safely say, is nearly all used in the manufacture of lithopone, as this is about the only industry of any size and importance in this country which buys crude barytes in any quantities worth mentioning.

We attach herewith abstract of importations for year 1907, showing how we obtained the above-stated figures of barytes, both crude and manufactured. This abstract shows date of importation, quantity, and name of the importer. By way of explanation, we will say that wherever the word "gray" or "crude" appears it means crude barytes ore. If desired, you can easily substantiate the above abstract by comparing same with copies of the Oil, Paint, and Drug Reporter for the year 1907, which we believe to be substantially correct. We will say for your further information that the importation of barytes, both crude and manufactured, during the year 1907 was considerably above the normal, due to the fact of increased consumption and to the flooding of many of the mines of this country where the crude barytes ore is produced.

Answering your further question, we will say that good grades of German lithopone can be bought laid down at the port of New York at about the following figures:

Lithopone containing about 30 per cent zinc sulphide, $4.13 per 100 pounds; lithopone containing about 15 per cent zinc sulphide, $3.25 per 100 pounds for lots of about 10 tons. The above prices include the cost of the goods in Germany, freight to New York, duty of $1.25 per 100 pounds, and the marine insurance. Now, as regards the price of a good grade of domestic lithopone, containing about 30 per cent zinc sulphide, this can be purchased in the New York market at a price of 3¾ cents to 4 cents per pound for 5 to 10 barrel lots (barrels 500 pounds net); for large contracts the above prices might be shaded about 10 cents per 100 pounds.

In answer to your further question, in which you ask what would be the effect of imposing a duty of $5 per ton on imported crude barytes used in the manufacture of domestic lithopone, we beg to say from data which we have been able to obtain, that this would increase the cost of production of domestic lithopone about 20 to 25 cents per 100 pounds. We arrive at this conclusion in the following manner: Lithopone is made from barium sulphate and zinc ore. It has the following formula, $ZnS:BaSO_4$, being combined in molecular proportion, and by weight contains 30 per cent of zinc sulphide and 70 per cent of barium sulphate. In practical manufacturing these percentages may vary slightly owing to imperfect methods employed. From the above figures an advance of duty on the crude barytes to $5 per ton of 2,000 pounds would

mean a net advance over the present cost of $4.25 per ton of 2,000 pounds (present duty being 75 cents per ton of 2,000 pounds) or in other words an advance of about 21 cents per 100 pounds in the cost of the barium sulphate used in the manufacture of lithopone, as in 100 pounds of lithopone there is only 70 pounds of barium sulphate. The increased cost of the domestic lithopone would be 70 per cent of 21 cents, or about 15 cents per 100 pounds. Allowing for impurities in the crude barytes and the necessary waste in manufacturing, the actual advance would be about 25 cents to 30 cents per 100 pounds, or from 6 per cent to 8 per cent of the selling price of domestic lithopone. At the present time lithopone has a duty of $1.25 per 100 pounds, and the freight rate from Germany is about 15 cents per 100 pounds, a protection of about $1.40 per 100 pounds, so that the increase of 25 cents or 30 cents per 100 pounds in the cost of its production would not in our opinion do any damage to the manufacturers of domestic lithopone.

Now, as regards the relative importance of lithopone and barytes in the arts and sciences, in our opinion this can best be stated by saying that lithopone is used mostly as a specialty in the manufacture of paints, enamels, rubber, and composition goods such as oilcloth, linoleum, and insulation materials, but even in these materials the use of lithopone is comparatively limited. Barytes, on the other hand, in many lines of industry like paint and rubber manufacturing is a staple article, being absolutely indispensable, in fact many articles of common use could not be made without it, such as aniline lake colors, which are used in nearly every pound of paint and enamel produced; in many forms of rubber manufacturing it greatly increases the durability of the finished product and at the same time cheapening the cost to the consumer. Barytes is also used in large quantities in oilcloth manufactures, linoleum products, and many other lines too numerous to mention.

To give you a further idea of the relative importance of lithopone and barytes, we will mention the fact that during the year 1907, when the importation of all forms of barytes was abnormal, there was only about 5,400 tons of crude barytes imported into this country through the ports of New York, Boston, Philadelphia, Newport News, and New Orleans, which are the principal ports of entry for all chemical products entering this country. The above quantity would make about 7,500 tons of lithopone, containing 70 per cent of barium sulphate, while during the same year one barytes manufacturing plant in this country, from information we have received from reliable sources, had an output of about 25,000 tons of manufactured barytes and there are quite a number of other large barytes manufacturers in this country. From our own practical experience in the paint and chemical trades we can safely say that the sale of lithopone is comparatively small compared with the sale of barytes. To give you a forcible illustration will say that an order of ten barrels (500 pounds) net is considered a fair-sized order, while barytes is very seldom sold in less than carload lots, which hold from 40,000 to 50,000 pounds net.

In answer to your further inquiry we will say that we are not manufacturers of barytes or lithopone, but have handled both these products extensively in our business. This applies with equal force to both the domestic as well as the foreign makes of lithopone, also the domestic and foreign makes of barytes.

Trusting that the above information may help you in your efforts, we remain,

Yours, very truly,

THE W. H. FALES COMPANY,
WILLIAM H. FALES, *President.*

EXHIBIT E.

MEGGEN I. WESTF. (LENNE), *January 29, 1908.*

Messrs. W. H. FALES & Co.,
New York.

DEAR SIRS: I thank you for your kind letter of 20th instant. I offer you my gray high per cent barytes, suitable for lithopone manufacture, in lumps, cargo of 250 at 500 tons at once (Forderware—that means the article as it comes from the mines) to the price of 23.50 marks per ton of 1,000 kilograms, c. i. f. New York, without duties, shipment at normal shipping opportunities, so that extra costs, occurred by low water, have to be borne by you, when you can not wait until the water rises. The weight stated at the station Grevenbruck and written in the bill of lading is to be paid, and no reduction is allowed to be made for weight losses during the voyage.

Perhaps it will be advantageous for you to give me a trial order. You can then see yourselves how the goods are.

My gray barytes have 96 till 99 per cent $BaSO_4$ (barium sulfate). The yield of iron is very few, also the yield of SiO_2 (silicic acid).

I hope soon to be honored with your kind orders and remain,

Yours, very truly,

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JOH. SCHMELZER.

UMBER.

[Paragraph 49.]

THE GUNTERSVILLE (ALA.) UMBER AND PAINT CO. CLAIMS THAT UMBERS NEED HIGHER PROTECTIVE DUTY.

GUNTERSVILLE, ALA., *February 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I have had some correspondence with our Representative in Congress, Hon. John L. Burnett, in regard to getting a higher duty imposed upon the importation of umbers into this country from foreign countries. While Mr. Burnett is a free trader, yet he is in favor of a higher duty on the article mentioned if it will bring into use our home products. The case is simply this. We have opened up and developed a very fine vein of umber in our county and the quality is as fine as the imported. There is no doubt but we have a sufficient quantity to supply the demand of the United States for an indefinite time. This product has never been mined in this country before to any extent, only being found in a very few places and States and in small quantities then. We feel that we are entitled to protection and that a higher duty should be imposed upon the foreign product. We are handicapped to a great extent in disposing of our home product, that is equal in every respect to the foreign, unless some remedy comes from you. We are making preparations to manufacture paints and expect to use quite a quantity of umber in that way, but we could supply the demand of other concerns at a much less figure than they can get the imported, and at the same time give them as good quality. We hope that you will give this matter your attention, and if it is not asking too much would be glad to have a passage upon same very soon. We do not ask the stoppage of importation, but simply a higher tariff or duty, so that we can be on an equality with importers, etc.

Yours, truly, GUNTERSVILLE UMBER & PAINT CO.

VERMILION RED.

[Paragraph 54.]

FELIX FEZANDIE, NEW YORK CITY, CALLS ATTENTION TO THE STATISTICAL CLASSIFICATION OF VERMILION.

205 FULTON STREET,
New York, February 24, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I beg to call your attention to an error in the statistics of vermilion importations given by the Oil, Paint, and Drug Reporter of February 22, as follows:

Vermilion.

Year.	Pounds.	Dollars.
1904	140,066	42,224
1905	111,728	42,503
1906	126,837	46,257
1907	180,580	74,979
1908	140,940	60,979

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These should have been classified under two headings: "Vermilion red containing quicksilver" and "Vermilion red containing lead," and a note should have been added that in 1907 and 1908 red colors containing only a very small percentage of lead were transferred from a classification of 30 per cent ad valorem as painters' colors to a duty of 5 cents per pound as vermilion red containing lead. This matter was called to the attention of your committee at the beginning of the hearings by some of the American manufacturers.

I beg, therefore, to request that in case the Bureau of Statistics is unable to furnish the exact importations under the proper classifications that you estimate the proper division yourselves, say one-half for each heading in the year 1906–7 and one-third in the year 1907–8, otherwise the figures or statistics of importations would lead your committee to believe in an increase of importations, which would be misleading.

Your kind attention to above will greatly oblige.

Yours, very respectfully,

FELIX FEZANDIÉ,
Importer of Colors and Dyestuffs.

BICHROMATES OF SODA AND POTASH.

[Paragraphs 62 and 74.]

C. J. MATTHEWS, OF PHILADELPHIA, PA., FILES LETTERS URGING REDUCTION OF DUTY ON BICHROMATES.

417 ARCH STREET, PHILADELPHIA,
January 14, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: My attention has just been called to George R. Bower's letter, written you as president of the Henry Bower Chemical Manufacturing Company, under date of December 18, 1908, and while there are many facts contained in this letter that are misleading, I do not think it necessary to go into an exhaustive explanation of same, thereby taking up the time of yourself and committee, except in one instance, and that is Mr. Bower states that my recommendations to your committee are opposed by many prominent houses among the morocco manufacturers, and gives under Exhibit C a letter signed by H. W. Thompson, president of the Chester Enameling Company. In reply to this I wish to state that the Chester Enameling Company are not manufacturers or tanners of leather, but simply buy their tanned leather and enamel same. There is also a letter submitted to your honorable committee from the Weber Leather Company, of West Lynn, which concern, to my knowledge, has not been tanning leather for six months or more.

To further substantiate my claim that the morocco manufacturers are greatly interested in a change in the present tariff on bichromate of soda and potash I herewith attach letters addressed to your honorable committee from Dungan Hood & Co., Philadelphia, Pa.; Bridesburg Leather Company, Philadelphia, Pa.; Wilmington Leather Company, Wilmington, Del.; Castle Kid Company, Camden, N. J.; Baum

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Leather Company, Philadelphia, Pa.; Camden Leather Company, Camden, N. J.; Thomas Kelly & Co., West Lynn, Mass.; Charles Beadenkopf, Wilmington, Del.; Charles Baird & Co., Wilmington, Del.; Delaware Leather Company, Wilmington, Del.; New Castle Leather Company, Wilmington, Del.; Lennox & Briggs, Haverhill, Mass.; Leviseur & Conway, Boston, Mass.; Best Kid Company, Philadelphia, Pa.; Costello, Cooey & Co., Philadelphia, Pa.; Chambers & Bond, Wilmington, Del.; Ruby Kid Company, Camden, N. J.; Mitchell & Thomas, Wilmington, Del.; Pevear & Co., Boston, Mass.; Wm. Beadenkopf Company, Wilmington, Del.; McNeely Company, Philadelphia, Pa.; Surpass Leather Company, Philadelphia, Pa.

I wish to add, in closing my remarks, that these letters are from concerns who constitute some of the largest tanners of goatskins in America, and you can readily see from their letters to you that they are vastly interested in getting relief and opening up competition in one of the principal chemicals they use in tanning their leather.

Yours, respectfully,

C. J. MATTHEWS,
Chairman Chemical Section,
National Morocco Manufacturers' Association.

EXHIBIT A.

2100 NORTH AMERICAN STREET, PHILADELPHIA, PA.,
January 7, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Charles J. Mathews, chairman of the chemical section of the National Morocco Manufacturers' Association, has been in communication with your committee relative to a reduction of the present duty on bichromate of potash and soda, which, under the existing tariff, pays 3 cents per pound on potash and 2 cents per pound on soda, which is a very high rate compared to other chemicals of similar classes. This high rate of duty renders the importation of these articles practically impossible and at the same time has been the cause of an increase in price to the consumer by those in control of its manufacture here, and we feel that, inasmuch as our product comes into competition largely with leather made by these materials in foreign countries, that our manufacturers here should have the advantage of as cheap raw material as possible without being obliged to suffer this high import duty, which seems to benefit to no degree nor stimulate the manufacture of these goods in our own country.

Trusting that our request will meet your favorable consideration, we remain,

Respectfully,

DUNGAN, HOOD & CO. (INCORPORATED),
FELIX HANLON, *President*

EXHIBIT B.

PHILADELPHIA, PA., *January 5, 1909.*

Hon. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: In reference to the question of the present tariff on bichromates of potash and soda, would say we are in full accord with C. J. Matthews, chairman of the chemical section of the Morocco Manufacturers' National Association in his efforts to reduce the tariff on these bichromates.

Our belief is and our experience has been that the present high rate of duty fosters monopoly, and would urge you, please, to exert every effort, by voice and veto, to place these on a parity with our chemicals; that is to say, 25 per cent ad valorem, which we consider a fair and more favorable tariff rate for these bichromates.

Yours, respectfully,

THE BRIDESBURG LEATHER CO. (INCORPORATED),
WARNER GRANSBACK, *Treasurer.*

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EXHIBIT C.

SECOND AND GREENHILL AVENUE,
Wilmington, Del., January 4, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: Being large users of bichromate of potash or soda in the tanning of leather made from goatskins and hides, we feel that we are imposed upon by the American monopoly, who have for their protection an excessive high tariff, 2 cents per pound on soda and 3 cents per pound on potash. This heavy duty makes the importation almost prohibitive, preventing fair competition, in consequence of which a monopoly is protected. We are opposed to this duty as it is and would ask your honorable committee to see that we are relieved in the tariff bill that is now being arranged by your committee to a more just and equitable basis. We are of the opinion that the duty that is now collected on chemicals for the arts and manufactures, which is 25 per cent, would certainly be sufficient on bichromate of potash or soda.

Thanking you for your consideration of our letter, we remain,

Very respectfully,

WILMINGTON LEATHER COMPANY,
JAMES I. FORD, *Treasurer.*

EXHIBIT D.

1516 BROADWAY, CAMDEN, N. J.,
December 31, 1908.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We would call your attention to the duty that is being imposed on bichromates of potash and soda, 3 cents on the former and 2 cents per pound on the latter. We think that this duty is excessive, and it is the only duty of this amount imposed on any of the chemicals used in the arts. We think that a duty of 25 per cent would more than protect this industry against foreign competition, and that this amount of duty would be more just and reasonable than the duty which we are compelled to pay at the present time.

Trusting that this matter may have your favorable consideration, we are,

Yours, truly,

CASTLE KID COMPANY,
MILTON J. SCHLOU, *Treasurer.*

EXHIBIT E.

PHILADELPHIA, PA., *December 31, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

MY DEAR SIR: We desire to indorse the efforts put forth by Charles J. Matthews, chairman chemical section of the Morocco Manufacturers' National Association, in his efforts to reduce the high tariff of 3 cents per pound on bichromate of potash and 2 cents per pound on bichromate of soda, as we feel the duty is entirely too high, as by it we find it is fostering a monopoly.

We trust your honorable committee may see the wisdom in placing these two bichromates on a parity with other chemicals, as 25 per cent ad valorem seems very fair and surely protection enough, and would thereby create an open market.

Trusting that we have made ourselves clear and understood, we remain,

Very truly, yours,

BAUM LEATHER COMPANY,
F. L. THOMSON, *President.*

EXHIBIT F.

615-623 VANHOOK STREET, CAMDEN, N. J.,
January 7, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

HONORABLE SIR: Regarding the tariff of 3 cents per pound on bichromate of potash and 2 cents per pound on bichromate of soda, we feel that this is entirely too high, and

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believe that a duty of 25 per cent on thea bove articles, which seems very fair, would surely protect this industry against foreign competition.

Trusting that we have made ourselves clear in regard to the above, we are,

Yours, truly,

CAMDEN LEATHER COMPANY.

EXHIBIT G.

643 SUMMER STREET, WEST LYNN, MASS.,
January 7, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We most respectfully beg to present to your honorable committee our protest against the continuation of the present rate of duty on bichromate of potash and bichromate of soda, two of the most essential materials used in the process of manufacturing by every leather manufacturer in the United States.

The manufacturers of these materials in the United States have joined interests, and formed a combination, thus controlling this entire business. The duty the Government levies on these two articles prohibits their importation and forces all the manufacturers of leather in the United States to purchase from this trust, who regulate their price in proportion to the duty, regardless of the cost of production, and thus are enabled to reap very large profits at the expense of the leather manufacturers.

Another very important side of the question to be considered is the effect of these prices which we are obliged to pay to this combination as related to the exports of leather, which at the present time amount to many million dollars per year. The English, French, and German manufacturers are making very rapid strides in the manufacture of leather, and are not hampered by any such combination, and thus are enabled to purchase their materials at a very low price, and with their low-priced labor are becoming very sharp competitors. It is therefore of the utmost importance, if we are to retain our foothold in the foreign market and meet this competition in a successful manner, that we have the support and cooperation of the United States Government. We therefore earnestly request that a complete investigation of this matter will be made by your honorable committee, and that some favorable action will be taken.

Yours, respectfully, THOMAS A. KELLEY & CO.

EXHIBIT H.

WILMINGTON, DEL., *January 7, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We are manufacturers of glazed kid leather and use large quantities of bichromate of soda and bichromate of potash. At the present time those commodities are in the hands of a monopoly, and we most earnestly request that you assist the manufacturers of leather who use the chrome process by reducing the import duty on chrome potash and soda 25 per cent. By doing this you will relieve us of paying excessive charges and also stimulate the manufacture of leather under the chrome process.

Very truly, yours, CHARLES BEADENKOPF COMPANY.

EXHIBIT I.

WILMINGTON, DEL., *January 8, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We would like to register our protest with you that there should be any duty on bichromate of potash and bichromate of soda, which is such an important factor in the manufacture of our leather.

For several years we have suffered great inconvenience and injustice, because not only of the fact that we have had to pay too high a price for these articles, but also the inconveniences and injustices that we have been subject to.

We unquestionably feel that the matter would be most justly settled if bichromate of potash and bichromate of soda were placed on the 25 per cent basis, which, as we

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understand the matter, would be on a parity with other chemicals imported into this country for the arts and manufactures.

We most sincerely hope that your honorable committee will see your way clear to do this.

Very truly, CHARLES BAIRD & CO.

EXHIBIT J.

WILMINGTON, DEL., *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

HONORABLE SIR: Referring to the matter of duty on bichromate of potash and soda, the duty on which to-day is 3 and 2 cents per pound, respectively.

There is tanned each day in the United States about 17,000 dozen goatskins. The best figures obtainable show that on an average the tanner uses about 1 pound of bichromate of potash or soda to tan 1 dozen skins for three hundred working days in the year.

The American manufacturer tans over 5,000,000 dozen goatskins in one year. To tan these skins he pays for the protection of the American manufacturer of bichromate of potash and soda at the rate of 3 and 2 cents a pound, or a sum of over $100,000 in a year.

While the duty is intended to protect the American manufacturer of bichromte of potash and soda, it does not protect the manufacturer of chrome-tanned glazed kid, who exports to Europe at least 50 to 60 per cent of his product, which comes in direct competition with the chrome-tanned glazed kid manufactured abroad, tanned with bichromates which can be purchased for 3 and 2 cents a pound less than it costs the American manufacturer.

Yours, very truly, DELAWARE LEATHER COMPANY.

EXHIBIT K.

ELEVENTH, TWELFTH, WILSON AND POPLAR STREETS,
Wilmington, Del., January 7, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We herewith wish to protest against the present parity existing on chrome, and request you to kindly see that the reduction of this duty be put on the 25 per cent basis, so as to enable the morocco manufacturers to buy their raw material without any monopoly on same.

Thanking you for your efforts on same, we remain,

Very truly, yours,

NEWCASTLE LEATHER COMPANY,
H. ROBINSON.

EXHIBIT L.

HAVERHILL, MASS., *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We are using large quantities of bichromate of potash and also bichromate of soda, and it is the largest material bill we have to pay in the manufacture of leather, and the article is controlled by one of our great monopolies, who are never satisfied with the price they are getting for the same, and, as you know, the product is a very highly protected article.

We ask you, in the interest of the great tanning industry of the United States, to work for a reduction of duties on the same. We think if it were put on a 25 per cent basis, which would be on a parity with other chemicals imported into this country for the arts and manufactures, the tanning industry would be satisfied.

Respectfully, yours,

LENNOX & BRIGGS.

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EXHIBIT M.

157 SOUTH STREET, BOSTON, MASS.,
January 6, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We wish to add our protest to the continuance of the excessive duty on bichromate of potash and bichromate of soda, materials used extensively in our leather factories.

We feel that these articles should at least be placed on a 25 per cent basis, which would be a fair rate in comparison to that paid on other chemicals imported for our different manufacturing purposes.

Respectfully, yours,

LEVISEUR & CONWAY.

EXHIBIT N.

LEOPARD AND WILDEY STREETS, PHILADELPHIA, PA.,
January 5, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We desire to enter our protest against the duty now on bichromate of potash and bichromate of soda, and request a reduction of this duty for the following reasons:

Bichromate of potash and bichromate of soda are now absolutely in the hands of monopoly, and while there have been quite a number of concerns who have started into the manufacture of these articles in the past they were invariably bought out or forced out of business by reason of a few of the larger and stronger concerns who have now combined and whose product is now in the hands and is controlled by one party.

Another reason why the duty on bichromate of potash and bichromate of soda should be reduced is that they enter so largely into the manufacture of leather in this country, and as the leather is again exported in very large quantities it would enable our American tanners to better compete with the foreign tanners by having all material that enters into the manufacture of leather as cheap as possible.

Bichromate of potash and bichromate of soda should be placed on a 25 per cent basis, which would be on a parity with other chemicals imported into this country for the use of arts and manufactures.

The present duty is entirely too large on bichromate of potash and bichromate of soda and simply fosters monopoly.

We hope, therefore, that you will recommend and use your good influence to bring about a reduction of said duty on bichromate of potash and bichromate of soda.

Very respectfully, yours,

BEST KID COMPANY.

EXHIBIT O.

70 NORTH FOURTH STREET, PHILADELPHIA,
January 5, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: We respectfully request that your committee will see fit to advocate the reduction in duty on bichromate of potash and bichromate of soda.

C. J. Matthews, chairman of chemical section Morocco Manufacturers' National Association, has presented strong reasons to your honorable body for such reduction, and we most earnestly concur in all that he has stated.

We hope that you will place the duty at about 25 per cent, which would be on a parity with other chemicals imported into this country for manufacturing purposes.

Yours, respectfully,

COSTELLO, COOEY & CO.

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EXHIBIT P.

WILMINGTON, DEL., *January 5, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We desire to add our protest against the injustice we are suffering from a combination of chrome potash and soda manufacturers, such combination being possible on account of the present excessive duty imposed on the foreign article, and to afford us some relief we suggest and request that said duty be reduced to 25 per cent, thereby bringing it on a parity with other chemicals imported into this country for manufacturing purposes. We are,

Very respectfully, yours,

CHAMBERS & BOND.

EXHIBIT Q.

1051-1063 NORTH SECOND STREET, CAMDEN, N. J.,
January 6, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: We desire to indorse the efforts put forth by our association relative to the excessive duty on bichromates. The tariff of 3 cents on potash and 2 cents on soda is in our mind an injustice and tends to foster a monopoly.

We sincerely trust your honorable committee will treat with this subject fully and thoroughly, as in our opinion a duty of 25 per cent ad valorem on bichromates would be putting them on a parity with other leather chemicals, and surely protection enough to allow an open market.

Trusting you will fully appreciate our position and act accordingly, we are,

Very truly, yours,

RUBY KID COMPANY,
A. LEON RUDOLPH, *President.*

EXHIBIT R.

WILMINGTON, DEL., *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: In reference to the matter of duty on bichromate of potash and bichromate of soda, we should like to express ourselves most strongly. It is not just that we should favor our foreign competitors as against our home products. In all justice we should think that bichromates should be placed on a basis not exceeding 25 per cent, which would be on a fair parity with other chemicals imported into this country for the arts and manufactures. This is a matter of considerable importance to our trade, and we hope it will be placed on an equitable basis. We remain,

Yours, very truly,

MITCHELL & THOMAS.

EXHIBIT S.

83 HIGH STREET, BOSTON,
January 6, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: As manufacturers of leather we are users of bichromate of soda and potash, and therefore wish to add our protest asking for a reduction of duty on said article. We find that up to January 1, 1909, we were paying nearly 20 per cent more than the year previous, during which year the trust was formed.

It is true that the trust has recently reduced the price a very little, owing to the investigation of the Ways and Means Committee, but we feel that with the above article placed on a 25 per cent basis the price would be further reduced, the trust make a reasonable profit, and the users be naturally and rightfully the gainers.

Yours, truly,

PEVEAR & CO.

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EXHIBIT T.

FOURTEENTH AND WALNUT STREETS, WILMINGTON, DEL.,
January 5, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We would respectfully call your attention to an inequality in the existing tariff schedules that is probably as iniquitous as any which you may have to consider, and should like to add our protest to those you may have already received covering the duty on the articles in question, viz. bichromate of potash and bichromate of soda. These chemicals are largely used by manufacturers of morocco leather who are only asking a measure of relief already accorded others using chemicals imported for the arts and for manufacturing.

We would furthermore, in conclusion, state that the conditions and circumstances covering the importation of these bichromates are radical and savor of the nature of an arbitrary monopoly. We ask that they, at least, be placed on a 25 per cent basis, thus equalizing the rates with those on other chemicals imported for use in the arts and for manufacturing purposes.

Trusting that you may at least in a measure grant what we ask, we are

Yours, respectfully,

WILLIAM BEADENKOPF COMPANY.
F. B. SALMON, *Secretary.*

EXHIBIT U.

400 ARCH STREET, PHILADELPHIA, PA.,
Jaunary 7, 1909.

Hon. SERENO PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: We wish to add our protest and request for the reduction of duty on bichromate of potash and bichromate of soda, relieving us, glazed kid manufacturers, from the hands of the monopoly, and we would suggest that bichromates be placed on a 25 per cent basis, which would be on a parity with other chemicals imported into this country for the arts and manufactures.

Respectfully, yours,

MCNEELY COMPANY,
RICHARD P. MCNEELY,
Vice-President.

EXHIBIT V.

TENTH AND WESTMORELAND STREETS, PHILADELPHIA, PA.,
January 8, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: We wish to associate ourselves with the request, made by the chemical section of the Morocco Manufacturers' National Association, for the reduction of the tariff on bichromate of potash and bichromate of soda. We are very large users of bichromate of potash for the production of glazed kid and advocate these materials not being taxed over 25 per cent of their value. A reduction in the price of bichromate of potash would be of material assistance to us, both in the production of leather for this country and for increasing the large amounts we export to Europe and other places, where we have to compete against leather manufactured by French and German firms who have the benefit of cheaper bichromates.

We should be glad to place any information we have at your disposal, and beg to remain,

Yours, truly,

SURPASS LEATHER COMPANY,
P. CROMPTON.

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CHLORATE OF POTASH.

[Paragraph 63.]

THE PACIFIC SAFETY POWDER COMPANY, SEATTLE, WASH., ASKS FOR A LOWER DUTY ON CHLORATE OF POTASH.

813½ EIGHTH AVE.,
SEATTLE, WASH., *February 18, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I wish to call your attention to the inclosed letters from Montreal regarding chlorate of potash.

Chlorate of potash is manufactured in the United States for about 2 cents per pound, but all the output is sold through their sales agents in New York, who also supply most of Canada, and it is sold there for 2 cents per pound less than it can be bought in the United States; 9¾ cents per pound is the price f. o. b. factory, while, as you see, it can be bought for 7¾ cents in Canada, and a duty of 2½ cents prevents reshipment.

Chlorate of potash is used largely in the manufacture of a safety stumping powder, and the price paid for powder is the big end for clearing logs off lands.

I am in the business of manufacturing powder, and on account of the duty on chlorate of potash I am restricted to local demands and can not go into competition in the market, and there are others in the same position, which makes what should be a thriving business a struggle for existence.

Hoping you will wipe out the duty on chlorate of potash, I remain,
Yours, truly,

P. E. DEAN,
President Pacific Safety Powder Company.

EXHIBIT A.

MONTREAL, *December 29, 1908*

P. DEAN, Esq.,
813½ Eighth Avenue, Seattle.

DEAR SIR: We are in receipt of your favor of the 24th instant. In reply beg to say that we are unable to sell chlorate of potash in the United States, having the sale of it only for Canada.

If you will inquire of some wholesale firm in Seattle, no doubt they will be able to supply you.

Yours, truly,

DILLONS (LIMITED),
Per G. A. DILLON.

EXHIBIT B.

MONTREAL, *November 16, 1908.*

JOHN M. WHITE, Esq.,
2249 Westminster Avenue, Vancouver, British Columbia.

DEAR SIR: We are in receipt of your esteemed inquiry for chlorate of potash, and beg to offer you powdered at 7¾ cents f. o. b. here. We can not quote delivered and would be glad to receive your esteemed order.

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We could ship direct from the other side at a more favorable rate. We can not say exactly how much, but we think there would be a saving of 1 cent per pound over the rail rate from Montreal.

Any orders you may send to us will have to be accompanied by sufficient reference for us to ship the goods.

Yours, truly,

DILLONS (LIMITED),
Per G. A. DILLON.

EXHIBIT C.

UNITED STATES CUSTOMS SERVICE,
Sumas, Wash., January 15, 1909.

Mr. P. E. DEAN, *Seattle, Wash.*

SIR: Replying to your inquiry of the 12th instant, I beg to advise you that chlorate of potash imported from Canada is dutiable at the rate of 2½ cents per pound.

Respectfully,

J. A. LOCHBAUM, *Deputy Collector.*

CHLORAL HYDRATE.

[Paragraph 67.]

SCHERING & GLATZ, NEW YORK, THINK DUTY SHOULD BE REDUCED ON ARTICLES MADE WITH DENATURED ALCOHOL.

NO. 58 MAIDEN LANE,
New York, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to call your attention to the fact that the import duty on this article now amounts to about 200 per cent on the German market value, it being dutified as an alcohol product at 55 cents per pound. This high rate was made because of the high internal revenue tax on alcohol. Since the passage of the denatured alcohol act, however, this duty has become obsolete and burdensome.

Chloral hydrate is only a specific instance of a series of chemical products, in the manufacture of which alcohol is used.

We submit that there should be a much lower rate of duty on articles prepared with the aid of denatured alcohol.

Yours, respectfully,

SCHERING & GLATZ.

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PHARMACEUTICAL PRODUCTS.

[Paragraphs 67 and 68.]

BRIEF SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK, ON BEHALF OF THE IMPORTERS OF FRENCH PHARMACEUTICAL PRODUCTS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to submit to the careful attention of your honorable body the following remarks:

The actual duties paid on French pharmaceutical specialties are:

First. For the products containing no alcohol, 25 per cent ad valorem.

Second. For the products containing alcohol 55 cents per American pound, or 6.50 francs per kilogram, or in the majority of cases more than 100 per cent.

The duties on nonalcoholic products are more than sufficient to protect the American industry against the competition of French goods; in fact, they are prohibitive.

The cost of the raw material is about the same in the United States as in France. The workmanship, which only enters for a very small share into the cost price, is 30 per cent higher. Therefore we can consistently say that the cost price in both countries is about the same, more especially as, besides the duties, the French products are handicapped by the freight and other expenses, representing about 10 per cent, and about 15 per cent paid to the manufacturers' agent in this country, as it is impossible for any French house to do its business directly with this country, to attend to the necessary advertising and to the selling without a representative in America. We can therefore state that the value of all French pharmaceutical products is increased by 55 per cent over the selling price in France when it is offered for consumption here.

For instance, if the wholesale price is 2 francs, the same wholesale price will be in the United States 3.10 francs, or 60 cents, and the retail price $1, as the apothecaries ask a minimum profit of 30 per cent and the wholesale druggist 15 per cent. The same product made in America, and for which the wholesale price is the equivalent of 2 francs, will be sold to the public at about 65 cents. Furthermore, the apothecary will often cut this price of 65 cents because he has a ready sale for such goods, and he will not cut the price of $1 on the French products because he seldom sells them and only to people who must have them.

As far as the French products containing alcohol are concerned, we are free to state that the exorbitant duties on the same are absolutely prohibitive, and we deem that it is absolutely unfair that a product containing 2 per cent of alcohol, for instance, should pay on an equal weight the same duty as the one that contains 80 per cent.

In short, taking as a basis the principles which have inspired the framers of the present tariff, which was intended to allow the American manufacturer to compete with even chances with the foreign manufacturer, it seems to us that it would be reasonable—

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First. To place a duty of from 10 to 15 per cent on pharmaceutical products containing no alcohol.

Second. To tax the products containing alcohol according to the degree of the same.

In so doing your honorable body would not go against the principle of protection, the American manufacturers would not suffer, the French producers would be encouraged to make exchanges with the American ones, and the American public would procure at a more reasonable price the French product when it is essential to its health and ordered by the physician.

Trusting that these considerations will appeal to your sense of equity, we remain, gentlemen,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

VACCINES AND SERUMS.

[Paragraphs 68 and 692.]

THE PASTEUR VACCINE COMPANY, NEW YORK, WISHES ALL VACCINES AND SERUMS ADMITTED FREE OF DUTY.

366 AND 368 WEST ELEVENTH STREET,
New York, January 18, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the matter of vaccines and serums for medical administration it is respectfully urged that tariff in connection with them is entirely opposed to principles of humanity.

The serums and vaccines for such use which we bring to this country are in some cases unique, and are always the product of laboratories of investigators who stand at the head of their profession and who have done the initial work upon such vaccines and serums, so that many other products are only imitations of these originals and are often, to say the least, not reliable.

These serums and vaccines surely can not be regarded merely as commercial products. They are produced at great cost and not only with large expenditure of money but with large expenditure of time, for not only their manufacture but the research connected with them extends over considerable periods of time. They are also, in many cases, very dangerous to the life of the scientific investigators and the workers in the bacteriological laboratories where they are produced. Therefore it is evident that they can not be distributed absolutely free, but it is also evident, it seems to us, that their distribution should be assisted in every way at as low a rate as possible in order to prevent and check disease. Instead of encouraging domestic products of this sort solely, it is far better for all concerned that honorable competition should reduce the prices of all serums and vaccines.

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The scientists in their laboratories are instructing students from all parts of the world in the methods of producing these serums and vaccines practically without charge, and the results of this instruction given freely to properly accredited persons should not be made the subject of commercialism.

Antidiphtheric serum is most largely the result of the investigations of Professor Roux, director of the Pasteur Institut, of Paris, whose sole concessionnaires we are. Antidiphtheric serum has reduced the mortality from diphtheria so greatly that it stands side by side with smallpox vaccine in the estimation of the medical profession as a benefactor of humanity.

Antitetanic serum has greatly reduced the mortality from lockjaw.

Antistreptococcic serum, also a product of a scientist in the Pasteur Institut, Paris, is intended for treatment of puerperal fever, erysipelas, etc.

Bubonic plague serum and vaccine, two of the most important products for the benefit of humanity that have ever been discovered, also owe their origin to the Pasteur Institut, Paris, and have since been greatly improved through the scientific work of the leading men in Europe, viz, Professors Kolle and Tavel, of the University of Berne.

Anticholera serum is the result of Professor Kolle's researches.

Both bubonic plague and anticholera serums and vaccines are now used by governments all over the world to combat the widespread epidemics of bubonic plague and cholera.

The free distribution of anthrax vaccine for the prevention of anthrax in cattle has practically wiped out that disease, and anthrax vaccine, like other vaccines, is admitted to this country free.

It certainly does not seem right when these are the only serums and vaccines for these diseases, that a duty should be imposed upon them when brought into this country to combat disease to relieve humanity and to protect commerce, which is always retarded and injured in times of epidemics.

Serums and vaccines are intended to be sold so cheaply that they may be within reach of the poorest people. Boards of health throughout this country and other countries that we reach can obtain them at lowest possible cost from us.

Duties imposed upon them act merely to restrain the control of many of the most malignant diseases and are not necessary to the support, encouragement, or development of any manufacturing interests.

Such duties damage all manufacturing and commercial interests generally, for they prevent the production of those agents which are alone able to check widespreading epidemics, which are so often disastrous to the industries of a country.

Very respectfully, yours,

NEW YORK BRANCH OF THE
PASTEUR VACCINE CO., LIMITED, PARIS.
C. A. WELLIS.

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SULPHUR.

[Paragraphs 84 and 674.]

HON. S. C. SMITH, M. C., SUBMITS LETTER OF UNION SUGAR COMPANY, BETTERAVIA, CAL., OPPOSING ANY INCREASE OF THE DUTY ON SULPHUR.

BETTERAVIA, CAL., *January 7, 1909.*

Hon. S. C. SMITH, M. C.,
Washington, D. C.

DEAR SIR: I understand that during this session of Congress when the question of revision of tariff comes up an effort will be made to have a very material change made in the duty on sulphur coming into this country. I believe that the revision of the tariff on this article is urged by owners of small sulphur mines in the United States, as they claim that all crude sulphur coming into this country is really refined sulphur. It is true that this crude sulphur has been submitted to a preliminary refining process to separate it from its ore, as pure native sulphur is hardly ever found in nature. But it is equally true that only this class of sulphur is generally known to the trade as crude, and it is evident that Congress can only have meant this superficially refined sulphur when the present law was enacted admitting the same free of duty. The interpretation is also substantiated by an official decision addressed by the Secretary of the Treasury to the collector of customs of New York City, dated Washington, D. C., November 28, 1876.

As you know, we use considerable sulphur in our process of manufacturing sugar, and if the tariff on this material is increased it will put an unfair burden on the beet-sugar industry and would hurt agricultural interests generally without really benefiting the general American people.

As it is practically impossible to specify the many forms in which sulphur can be molded and imported, such as: Rolls, sticks, squares, cones, pyramids, etc., and it is imported in straw mats, and at other times in sacks and in bulk, it would be well that the law make no distinction in this regard, but simply admit crude sulphur free of duty, without mentioning the way it is packed at all.

After studying the case, which we have done very carefully, and in order to be fair to all consumers and refiners, we propose the following wording, which, we think, will cover the ground thoroughly and leave no loopholes:

Par. 84. Sulphur, refined or sublimes, or flowers of, or ground, and sulphur not otherwise provided for, $8 per ton.

Par. 674 (free list). Sulphur, lac or precipitated; sulphur or brimstone crude; sulphur ore as pyrites, or sulphide of iron in its natural state, containing in excess of twenty-five per cent of sulphur.

I would thank you to look into this matter and give it your careful attention when it comes up.

Very truly, yours,

J. W. ATKINSON,
Manager Union Sugar Co.

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THE UTAH SULPHUR COMPANY, SALT LAKE CITY, UTAH, APPEALS FOR TARIFF PROTECTION FROM JAPANESE SULPHUR.

SALT LAKE CITY, UTAH, *February 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Utah Sulphur Company, a corporation under the laws of Utah, respectfully submits that the United States contains more than sufficient sulphur to supply our domestic consumption, and that the reason that the mines within the United States have not been sufficiently developed to produce the sulphur consumed within our borders is because of the high cost of labor at home and the cheap cost of labor in Sicily and Japan, taken in conjunction with the inexplicable rulings of the Treasury Department upon the existing or Dingley tariff.

The tariff of 1897 provides respecting sulphur:

SEC. 64. Sulphur, refined or sublimed or flowers of, $8.00 per ton.

SEC. 674. Sulphur, lac or precipitated and sulphur or brimstone crude, in bulk, sulphur ore as pyrites or sulphuret or iron in its natural state containing in excess of twenty-five per cent of sulphur and sulphur not otherwise provided for, free.

It seems to be obvious that the intent of these sections of the Dingley tariff have been nullified by a line of decisions of the Treasury Department and of the United States general appraisers, which decisions are based upon the conclusions of Secretary of the Treasury, Lot M. Morrill, in Treasury decision No. 3032, as follows:

The only article known in commerce as refined brimstone is that which is obtained from the crude brimstone by the process of vaporization and sublimation, which releases the sulphur from all foreign matter, and leaves it chemically pure. It is found in commerce under the designation of virgin-rock brimstone, roll brimstone, and flowers of sulphur.

We respectfully submit that all sulphur exported from Japan to the United States has been retorted or melted, a fact susceptible of demonstration by inquiry from our consuls at points of departure or from our Treasury officials at points of receipt.

We further submit that the process of retorting or melting sulphur or brimstone is a process of refining—the product of such melting or retorting being no longer the crude product of the mines. In substantiation of this allegation we refer, first, to the fact that the average sulphur content of the crude ores as extracted from the mines of the Utah Sulphur Company does not exceed 20 per cent, and we believe that the average purity in sulphur of the products of other mines in the United States and of the mines of Japan does not exceed the percentage stated; and, second, we assert upon the tests made by the agricultural experiment station of the University of California and upon the analysis made October 10, 1905, by Herman Harms, Utah state chemist, that the percentage of sulphur in the product resulting from the retorting or melting of American crude ores is between 99.70 per cent (in the case of the average samples of our retorted product submitted to Doctor Harms), and 99.89 per cent (as shown by one of the samples submitted to the California experiment station). We assert, further, that the Japanese sulphur admitted free of duty under the aforesaid rulings as crude and unrefined shows a sulphur content equal in percentages to that hereinbefore last mentioned.

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The statement of Lot M. Morrill, above quoted, that—

the only article known in commerce as refined brimstone is that which is obtained from the crude brimstone by the process of vaporization and sublimation, which releases the sulphur from all foreign matter and leaves it chemically pure,

is unsound and opposed to the facts, inasmuch as the chemical analyses of our sulphur made by Doctor Harms, Utah state chemist, show that sublimed sulphur is actually less pure than retorted or melted sulphur, inasmuch as the process of sublimation results in the formation of free sulphuric acid and does not result in the expulsion of other foreign matters, the fact being that the process of melting or retorting rids the sulphur, as demonstrated by the analyses above referred to, of practically all impurities.

Doctor Harms's analysis of an average sample of our melted or retorted product was as follows:

	Per cent.
Actual sulphur	99.71
Nonvolatile residue, silica, iron oxide, etc	.23
Free sulphuric acid	Mere traces
Sulphurous acid	None
Arsenic	None
Moisture at 100° C. (212° F.)	.06
Total	100.00

And his analysis of a sample of our "flowers of sulphur" manufactured by the sublimation of our retorted or melted product was as follows:

	Per cent.
Actual sulphur	99.028
Free sulphuric acid	.755
Sulphuric acid	None
Arsenic	None
Selenium	None
Residue, silica, iron oxide, etc	.013
Moisture at 100° C.—212° F	.204
Total	100.000

It is apparent from the foregoing analyses that the process of sublimation does not tend to make the sulphur chemically purer, the principal change being physical or mechanical in that the "flowers of sulphur" is more flocculent than the retorted product. From the foregoing it seems obvious that the rulings of the Treasury Department have been both erroneous on principle and highly injurious to the American industry.

The injury to the local industry becomes the more apparent when we comprehend that the average price of Japanese sulphur as imported into the United States is $20 per ton and that the average cost of producing sulphur by the Utah Sulphur Company (which, it appears, is substantially the same as the cost of producing the domestic article in Nevada) has been $29 per ton, much the greater proportion of which has been expended for the item of labor. Experience has shown that this cost may be somewhat diminished by increasing the output; but the output can not be increased in the face of the free entry of the cheap sulphur produced by oriental or Sicilian labor and brought by cheap water transportation to our shores.

Under existing conditions, therefore, the American laborer must give way to the oriental laborer, and this in apparent violation of the express provisions of law and because of decisions based upon insuffi-

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cient data or upon misinformation furnished by importers of the foreign product.

We do not ask that the duty be increased beyond $8 per ton, but we do feel that the new tariff shall clearly and explicitly provide that the rate mentioned shall be collected upon all sulphurs that may have been retorted or melted or may have gone through any process that changes their composition from the crude state under which they are mined from the ground. To make the matter more certain, "crude sulphur" should be defined as "crude sulphur containing less than 25 per cent of sulphur."

It would seem to be suicidal that this nation should rely upon foreign sources of supply for its sulphur—a product so important both in times of peace and in times of war—and yet it seems to be a foregone conclusion that, without sufficient protection, most of our mines must close and our consumption be supplied largely by foreign importation. It is confidently believed that with adequate protection from cheap foreign labor the production within this country would be largely increased, even to the extent of supplying the whole demand, and that domestic competition would result before long in a reduction in price below the prices that have heretofore obtained with foreign sulphur admitted free of duty.

Respectfully submitted.

UTAH SULPHUR COMPANY,
By N. W. CLAYTON, *President.*

ARSENIC.

[Paragraph 479.]

MYRON WARD, YOUNGSTOWN, OHIO, THINKS AMERICAN MAKERS OF ARSENIC SHOULD BE PROTECTED BY A DUTY.

YOUNGSTOWN, OHIO, *February 24, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

HONORABLE SIR: The writer together with others have an investment of $200,000 in an arsenic mine and mill in Virginia. We can not operate this plant for the reason that our product, viz, white arsenic, is on the free list and is imported duty free. The white arsenic imported is a by-product from the tin mines in Cornwall, England, and Hartz Mountains in Germany. We can not pay American miners and mill men the average rate and compete against a by-product of foreign corporations.

There are 6,000 net tons of this product imported annually, all of which can be produced here. If a duty of 1½ to 2 per cent per pound was placed upon it for say five years, it would put a new industry in shape to meet competition. A duty of 2 cents would mean about $250,000 annually to the revenues of the United States, and would develop a new industry.

Under present conditions the glass manufacturers who use this material would be benefited by a duty, because at present they must depend on buying the surplus arsenic coming from Europe, and the

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price varies from 3½ cents to 15 cents per pound. In fact the market is not in any way staple, as it would be if our Virginia plant were protected enough so it could operate regularly and continuously.

The writer would be pleased to hear that your honorable committee has given this letter such consideration as it merits.

I remain, sir, very respectfully, yours,

MYRON WARD.

CONFECTIONERS' COLORS.

H. KOHNSTAMM & CO., NEW YORK CITY, ASK FOR A PROTECTIVE TARIFF ON COAL-TAR CONFECTIONERS' COLORS.

87 PARK PLACE, NEW YORK CITY,
January 29, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

HONORABLE SIR: In this brief we are asking for a tariff rate suitable for the protection of an industry not existing prior to its creation by Americans. We desire that coal-tar colors intended for food-coloring purposes and imported from abroad in a condition ready for certification be specifically taxed.

The production of certified food colors is distinctly an American enterprise. Its origin lies in our own food and drugs act, and more particularly in the food-inspection decisions 76 and 77, in which certain coal-tar colors, seven in number, are permitted in foods only, if in a proper state of cleanliness. Prior to this act, it is safe to say, all the coal-tar colors used for food-coloring purposes in the United States were made abroad and imported therefrom. The requirements of the Department of Agriculture were published on July 13, 1907. To date not one foreign manufacturer has placed upon this market any certified food colors. The attitude of a large number of foreign coal-tar color makers, who had under the old conditions willingly sold their products for food-coloring purposes, with more or less implicit or explicit guarantee of special care in selection of such of their products as were offered for food-coloring purposes, upon the issue of the food-inspection decisions 76 and 77, was that such requirements were unheard of, unprecedented, unwarranted, and impossible of execution. Voluminous and extended correspondence both by mail and by cable and personal visits and solicitations abroad brought no permanent or usable or useful result.

In the face of such apparently authoritative discouragement on the part of a set of manufacturers controlling large plants, abundant capital, almost inexhaustible sources of supply of materials, large and experienced staff of expert chemists, manufacturing chemists and chemical engineers and an enormous amount of special and unpublished information substantially alone and unaided, we set about the task of making certified food colors. We found it no easy matter. We have spent eighteen months of our time in the accomplishment of this result and have devoted a considerable portion of our energies and manufacturing facilities to the work. Some of the colors purchased by us abroad were so dirty and so contaminated with arsenic

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and other mineral or metallic poisons, that cleaning them up was an impossible task; others could be purchased abroad in such condition that they could be satisfactorily cleaned up; for those colors that could not be purchased abroad in a cleanable condition we attempted to buy the raw materials abroad in a condition of cleanliness which would enable us to produce the colors here in a satisfactory form. This, in itself, apparently a simple thing, has also been accomplished only after incredible efforts and failures. Other difficulties encountered have been the uncertainty of getting successive lots of color or raw material in the theretofore obtained and specified condition for further manufacture and refinement here, all of which irregularities have been the cause of very expensive embarrassments for us.

As a result wholly and singly of our confidence in our own judgment, and of our perseverance in the face of many discouragements and in the face of the tremendous handicap we were under as against these experienced large and powerful foreign makers, we have now demonstrated to these foreign manufacturers and to the users of coal-tar colors for food-coloring purposes that they were wholly and utterly wrong when they assumed that the conditions of food-inspection decisions 76 and 77 were impossible of execution. With this conclusive and final demonstration of their error it is to be expected that the foreign makers of coal-tar colors will at once attack the problem, and with their great facilities, their great plants, their cheap labor, their ability so to choose their materials as to make their products of extraordinary purity, thus rendering the needful and subsequent refining steps less difficult and less arduous, and therefore less expensive, will solve this problem which they have confidently regarded as incapable of solution.

Any domestic manufacturer would therefore be at certain disadvantages with respect to the foreign maker:

1. The domestic maker must purchase his raw materials whether partly finished color or not, from abroad, and the foreigner certainly makes a profit on these sales.

2. The foreign maker has the source of all the materials he sells to the domestic maker under his control and he can therefore, without any added substantial expense to himself, so select his raw material as to make the material supplied by him to the domestic maker of greater purity and easier of refinement, and unless the domestic maker should by some fluke or accident ascertain this fact the domestic maker would be operating on this less advantageous material at a correspondingly greater disadvantage to himself as against the foreign maker.

3. The suitable refining of the colors is the most expensive single operation in the series of operations needed for the production of certified food colors, so far as labor and loss of material are concerned. The foreigner has access to cheaper labor; the loss of material referred to is the loss of material which occurs in the cleaning-up or refining process. In this refining a certain fraction only of color can be effectively separated from the contaminations; the remainder stays with the dirt and impurities. To the domestic maker this represents a very substantial loss, because he can not dump this product into this market as can the foreign maker upon his own domestic market. At this point, therefore, the domestic maker is at a double

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disadvantage, (*a*) more expensive labor per unit of product made; (*b*) practically irreducible losses due to the refining process which are not present in the case of the foreign maker.

With this demonstration by American initiative, enterprise, and perseverance that coal-tar colors for food-coloring purposes are properly subject to regulation, and that regulation which insures the high quality of food colors possible under our own food-inspection decisions is both feasible and practicable, it is to be expected that foreign governments will not be long—and very likely prior to the revision of the tariff succeeding this one—in adopting regulations either identical with or patterned after our own procedure. In such case the foreign maker, with his tremendous natural advantages of position, will have added incentive to solve the problem, since his market for uncertified food colors will be shrinking and the market for certified colors will be expanding.

American enterprise, American industry, American initiative, and American perseverance have presented to the world a new and useful commercial commodity, namely, certified food colors.

This they have done while the world's most expert and experienced manufacturers of coal-tar colors, namely, the foreign makers, have sat idly by doing nothing effective toward solving a problem universally looked upon as highly desirable of solution. Prior to the enactment of our food and drugs act they were more than willing to take what profit they could from the American market. When, in the course of protecting the American consumers of food colors, our Government called upon these foreign makers to subject their goods to the impartial scrutiny of its officers these foreign makers failed to make good their widely heralded guaranty of their food colors, for, to date, none of them has offered any certified colors to the American people and they have by word and by deed signified their absolute willingness to abandon entirely the legitimate domestic user of food colors by making no effort to reassure such users that colors properly cleaned and certified would be the object of his attention, and openly or otherwise informing his customers that the conditions exacted by this Government were incapable of fulfillment. So far as we are aware, the foreigner has made no real effort to support our Government in the enforcement of this law.

After Americans have demonstrated at a great expenditure of time, labor, energy, and money that our Government was and is right in its requirement for a cleaning up among the food colors, shall the foreigner, contributing nothing whatsoever toward the assumption of the risks of that expensive demonstration, be placed in a position where he can wipe the American maker out of existence because of the latter's disadvantageous economic position?

We believe that the fair answer is, no.

If ever there was an infant industry, then the making of certified food colors is such a one. The incentive for its existence dates no further back than Food Inspection Decision 77, published July 13, 1907.

If ever there was an American industry dependent upon foreign sources for its raw materials, then this is such a one.

If ever there was an American industry open to the sharpest kind of competition with foreign experience, with foreign labor, with foreign sources of supply, then this is such a one.

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In order that this industry may remain permanently here and may grow and develop, it must receive protection against foreign competition.

The specific duty suggested is not high, for the reason that in many cases it is necessary to work up as much as 4 pounds of imported crude dye to recover 1 pound of color fit for certification.

For the accomplishment of this the following suggestions are made:

I. (*a*) Colors imported for certification as food colors must be so declared, and they shall then be subjected to a specific duty of $1 per pound. (*b*) No colors shall be certified whose origin is not stated and proven.

II. Raw materials or crude dyes imported from abroad and here manufactured into colors and certified, or here refined and certified, shall, upon proof of such origin and such certification, be entitled to a drawback of all the duty paid, but without interest; but all such raw material or crude dyes must be declared as being intended for use in the production here of certified food colors.

Suggested forms or blanks for I (a) and (b).

I. (*a*) Invoice should state the package numbers, steamer, and date of invoice: ..... pounds. ..... color. Imported for certification as a food color.

I. (*b*) See F. I. D. 77, page 2, last line of "Manufacturers' Certificate," erase the period after "pounds" and in lieu thereof insert: "; and I further certify under oath that all the goods offered for certification herein referred to were (Here insert—)

"(*a*) imported from abroad in the steamer ..... on the date ..... in packages number .....

or "(*b*) manufactured by me within the United States."

Suggested forms or blanks for II.

1. Invoice should state the package number, steamer, and date of invoice. ——— pounds ——— (crude dye; raw material) imported for use in production of certified colors.

2. See F. I. D. 77, page 2, last line of "Manufacturer's certificate," erase the period after "pounds," and in lieu thereof insert: "; and I further certify under oath that the goods offered for certification and herein referred to were" (Here insert—

(a) made from the raw materials of packages ——— of invoice ——— of steamer ——— or (b) made by refining the crude dye of packages ——— of invoice ——— of steamer ———.

3. A form of demand on the Treasury for a refund of the duties paid upon the materials referred to in a certified copy of No. 2 above.

Of course, the above forms are simply suggestions to show that so far as the administration of the law is concerned, there would be no difficulty in carrying out the provisions of this clause.

Respectfully submitted.

H. KOHNSTAMM & CO.

DUTIES ON CHEMICALS.

HENRY HOWARD, FOR THE MANUFACTURING CHEMISTS' ASSOCIATION, COMPARES THE IMPORTATIONS UNDER THE VARIOUS TARIFF SCHEDULES.

33 BROAD STREET,
Boston, January 26, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Under date of December 3, 1908, I submitted to you on behalf of the Manufacturing Chemists' Association of the United

States a brief embodying a complete chemical schedule as desired by this association. This brief with few exceptions advocated the maintenance of the tariff rates of the act of 1897.

At the time this brief was prepared the association was of the opinion that the rates prescribed in the chemical schedule under the Dingley Act were not exorbitant and, indeed, were not sufficiently high to prohibit importations. At that time, however, statistics showing the relation of imports to domestic production were not available, but since then the association has procured such statistics from the Bureau of the Census, and for the benefit of your committee has made an analysis of them as shown in the annexed table.

This table gives in the first column the value of the imports for the year ending June 30, 1905, in the second column the value of the country's productions as given in the census of 1905, in the third column the total of the imports and productions called the "gross consumption," and in the fourth column the percentage of the imports to the "gross consumption."

Under Schedule A it will be noted that the imports constitute 6 per cent of the gross consumption. It will also be noted that under the "free list" the imports constitute 32 per cent of the gross consumption. When it is considered that the "free list" consists principally of raw materials and articles not generally produced in this country, the conclusion is inevitable that the percentage of imports under Schedule A is very high as compared with the "free list." In other words, these figures alone indicate very strongly that the rates established in Schedule A are not generally prohibitive.

Of all the schedules from A to N there are but three which show a materially higher percentage of imports than Schedule A, to wit, Schedule E, sugar and molasses; Schedule J, flax, hemp, and jute; and Schedule L, silks and silk goods. That these three schedules should show very high percentages of importations is to be expected, because none of the industries included in these schedules have a natural development in the United States owing to the climatic conditions.

Apart from the three schedules above enumerated but one schedule—K, wool and manufactures of wool—shows a higher percentage of importations than Schedule A, and this schedule shows but 0.2 per cent higher.

The remaining nine schedules show a smaller percentage of importations than Schedule A, and of these nine five show less than one-half the percentage of importations.

The argument has been made that from the point of view of revenue the present rates of duty are too high and that the maximum income to the Government would be attained by lower rates, which would tend to stimulate importations. Assuming that this argument may be based on fact, the statistics in the annexed table demonstrate clearly that the argument is more applicable to at least nine schedules than the chemical schedule. Furthermore, it will be noted that of the nine schedules showing smaller percentages of importations than the chemical schedule, five show a gross consumption from two to six times greater.

That the Government, as a practical measure, can secure greater revenue from an increase of the percentage of importation in schedules where the gross consumption is great than in schedules where the

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consumption is comparatively small, like the chemical schedule, is a proposition which needs no argument.

In conclusion, the association respectfully submits to your committee—

(1) That the annexed table demonstrates that the existing rates under Schedule A are not prohibitive.

(2) The statistics further show that Schedule A has contributed more than its proportionate share of the country's revenue from import duties. It is the opinion of the association that a slight increase of importations under Schedule A by a reduction of duties would not materially increase the revenue, while an effort to increase the importations to any great extent would necessitate such radical reductions of duties that many of our manufacturers would be driven out of business.

(3) In the event of a reduction of duties as a revenue measure this association earnestly requests of your committee a careful examination of the table. This association does not desire to place the burden of reduced revenues unfairly on other American manufacturers, but the statistics submitted clearly demonstrate that in an equitable readjustment of tariff rates schedules other than Schedule A should receive the reduction of rates, owing to the smaller percentages of importations which they have shown and the larger market which they have enjoyed.

Respectfully, yours,

MANUFACTURING CHEMISTS' ASSOCIATION,
HENRY HOWARD,
Chairman of the Executive Committee.

Table showing relation of imports to gross consumption under the act of 1897.

	1905.			Percentage of imports to gross consumption.
	Imports.	Production.	Gross consumption.	
Schedule A. Chemicals, oils, and paints	$31,264,406	$494,026,148	$525,290,554	6.0
Schedule B. Earths, earthenware, and glassware	22,676,924	406,344,704	429,021,628	5.3
Schedule C. Metals, and manufactures of	36,640,339	2,977,025,253	3,013,665,592	1.2
Schedule D. Wood, and manufactures of	16,708,198	1,454,777,286	1,471,485,484	1.1
Schedule E. Sugar, molasses, and manufactures of	91,578,130	413,085,333	504,663,463	17.9
Schedule F. Tobacco, and manufactures of	20,726,855	331,105,340	351,832,195	5.9
Schedule G. Agricultural products and provisions	27,079,634	1,873,893,685	1,900,973,319	1.4
Schedule H. Spirits, wines, and other beverages	17,046,464	474,487,379	491,533,843	3.5
Schedule I. Cotton manufactures	24,204,005	870,198,012	894,402,017	2.7
Schedule J. Flax, hemp, and jute, and manufactures of	72,318,812	176,219,826	248,538,638	29.1
Schedule K. Wool and manufactures of wool	53,470,142	803,219,168	856,689,310	6.2
Schedule L. Silks and silk goods	31,779,358	125,322,131	157,101,489	20.2
Schedule M. Pulp, papers, and books	11,974,953	415,249,829	427,224,782	2.9
Schedule N. Sundries	88,815,463	1,490,540,747	1,579,356,210	5.6
Free list	439,439,240	940,328,050	1,379,767,290	32.0

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NOT A TRUST.

THE GENERAL CHEMICAL COMPANY, NEW YORK CITY, REPUDIATES THE CHARGE THAT IT IS A TRUST.

25 BROAD STREET, NEW YORK, N. Y.
February 9, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIRS: In the report of tariff hearings we find this company referred to as a trust controlling 70 per cent of certain products, namely, borax, tannin, sulphuric ether, and vanillin—products alleged to be protected by duties of 151 to 320 per cent. It so happens that this company neither makes nor deals in any one of these articles, and so far is it from being a trust that its total capital is only $18,500,000, while the United States Census Reports for the year 1905 show that the capital invested in chemicals and allied products was $323,000,000, and the amount invested in chemicals, such as sulphuric, nitric, mixed acids, and wood distillations was $119,000,000 and upward.

We have heretofore submitted to your honorable committee a brief on the subject of retaining pyrites and pyrrhotite ore on the free list. We do not wish to have the strength of our position in that matter in any respect weakened by false statements made against us.

Yours, respectfully,

GENERAL CHEMICAL COMPANY,
CHAS. ROBINSON SMITH,
Second Vice-President.

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SCHEDULE B—EARTHS, EARTHENWARE, AND GLASSWARE.

LIME.

[Paragraph 90.]

THOMAS W. CARTER, BOSTON, MASS., CLAIMS THAT THE LIME INDUSTRY NEEDS PRESENT PROTECTION.

30 KILBY STREET, BOSTON,
January 19, 1909.

Hon. S. W. MCCALL, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: At the risk of boring you, I would like to state to you in a few words my views on the proposed reduction of the tariff on lime, as I feel so strongly that the present duty is a wise one and only sufficient to prevent the importation of lime from the provinces, to the injury of the lime industry of New England, as a little consideration of our experience here previous to the old McKinley tariff seems to me to clearly demonstrate. At the time the McKinley tariff went into force two-thirds of the lime which I was selling at that time was imported from the provinces, and in less than a year I was not selling a barrel of imported lime, but was dealing quite largely in lime from Knox County, Me., and selling at a lower price than the year previous.

For the past five years, only, I have been manufacturing lime myself in Rockport, Me., having leased a bankrupt lime plant, which had lain idle for sometime; since that time I have manufactured about 100,000 casks per year, which I have sold at a very small profit, so small, in fact, that should there be any considerable reduction in the present tariff, I should be very much inclined to give up my lease (which I can do at any time) and look into some properties, which I have been solicited to do, in the provinces, where both lime rock, wood, and labor can be had at a very much less price than in New England. In view of these, and many other facts which could be shown, it does seem to me that to make any material reduction in the present tariff on lime would be a great mistake, and I will frankly state that during the past year my profit on the lime manufactured has not been over 5 cents a barrel, a profit which could be easily put out of sight by the low prices of wood and labor in the provinces. Trusting you will see your way to oppose any reduction in the lime schedule of the new bill, I remain, with great respect,

Yours, sincerely,

THOMAS W. CARTER.

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THE EASTERN LIME MANUFACTURERS' ASSOCIATION REQUESTS RETENTION OF PRESENT DUTY ON LIME.

949 BROADWAY, NEW YORK CITY, *January 29, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Inclosed we hand you resolutions and petition of the Eastern Lime Manufacturers' Association requesting that the present duty be maintained on lime.

During the last year of free lime over 200,000 barrels of foreign lime came into the city of New York alone. Many thousand barrels were sent to other points along the coast where American lime would have been used. Many thousand barrels were also put into the Lake ports. The lime coming into our markets from Canadian points is manufactured at coast ports and is usually shipped with part cargo of lumber. Consequently transportation charges are not high. That, together with the low rate of wages and no duty, would put foreign lime manufacturers in position to flood our coast ports with cheap lime, and to hold our trade we would have to make a reduction in price. Because of the extended use of Portland cement for building purposes, lime has to be sold at a very close margin. Consequently, a reduction in price would have to be met by a reduction in wages. The latter would cause hardship among the men at the various plants because of the high prices of provisions and other necessities. Notwithstanding reports to the contrary, the New York state manufacturers (not members of the association) are very much in favor of maintaining the present duty.

In view of the above facts, we would petition your honorable body to maintain the present tariff.

Respectfully, yours,

EASTERN LIME MANUFACTURERS' ASSOCIATION,
F. N. STRANAHAN, *Acting Secretary.*

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: We, the undersigned, members of the Eastern Lime Manufacturers' Association, believe that any reduction in the tariff on lime would mean a severe loss to the lime manufacturers because of the reduction in price to meet foreign competition that would naturally follow.

We believe it would also bring hardship to the men employed at the various lime plants, as any reduction in selling price would necessitate a reduction in wages.

In consideration of the above facts, we would petition your honorable body to maintain the present tariff on lime of 5 cents per 100 pounds.

Palmer Lime and Cement Company, by Lourllell Palmer, vice-president, York, Pa., capacity 1,500 barrels daily; Lourllell Palmer Company, by Lourllell Palmer, president, Yorktown Heights, N. Y., capacity 750 barrels daily; Steacy & Wilton Company, by

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S. S. Wilton, vice-president and general manager, Wrightsville, Pa., capacity 600 barrels daily; John R. Bittinger, Hanover, Pa., capacity 600 barrels daily; York Valley Lime Company, W. F. Myers, president, York, Pa., capacity 96 tons daily; M. J. Grove Lime Company, E. H. Grove, secretary, Lime Kiln, Md., capacity 400 tons daily; J. E. Baker Company, J. E. Baker, president, York, Pa., 52 kilns, annual capacity 120,000 tons; American Lime and Stone Company, A. A. Stevens, vice-president and general manager, 84 kilns; Thomasville Stone and Lime Company, James C. Gitings, president, capacity 54 tons daily; Knickerbocker Lime Company, Wm. B. Irmes, president, Philadelphia, Pa., 20 kilns, annual capacity 1,250,000 bushels; Charles Warner Company, Philadelphia, Pa., 35 kilns, annual capacity 110,000 tons; The Shennan Lime Company, Henry L. Shennan, secretary, capacity 75 tons daily; Finch, Perryn & Co. (Incorporated), H. H. Perryn, treasurer, capacity 150 tons daily; The F. W. Wait Lime Company, F. W. Wait, president, capacity 70 tons daily; Lee Lime Company, by M. H. Deely, capacity 150 tons daily; Connecticut Lime Company, by M. H. Deely, president, capacity 80 tons daily; Harry M. Farnam, capacity 150 barrels daily; Cheshire Lime Manufacturing Company, by W. B. Dean, capacity 200 barrels daily; The Connecticut Western Lime Company, by Geo. A. Marvin, treasurer, Canaan, Conn., capacity 50,000 barrels yearly; New England Lime Company, C. E. Griffing, president; Farnam Cheshire Lime Company, C. J. Curtin, president, 39 Cortlandt street, New York, N. Y., capacity 1,000 barrels daily; Pittsfield Lime Company, Pittsfield, Mass., and 39 Cortlandt Street, New York, N. Y., capacity 50 barrels daily; Rockland-Rockport Lime Company, by O. F. Perry, manager, 82 kilns; West Stockbridge Lime Company, by Clifford L. Miller, president, capacity 400 large barrels daily.

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949 BROADWAY, NEW YORK CITY,
January 29, 1909.

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: Pursuant to instructions I beg to submit a copy of preamble and resolutions adopted by the members of the Eastern Lime Manufacturers' Association, at the annual meeting of said association held at The Walton, Philadelphia, Pa., on Friday, December 11, 1908:

Whereas, under the provisions of the Wilson bill, enacted by Congress in 1894, the duty on lime was fixed at 5 cents per hundred pounds, and said rate of 5 cents per hundred pounds was reenacted in the Dingley bill in 1898;

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And whereas the duty of 5 cents per hundred pounds is not now nor never has been prohibitive in its effect upon importations, and only partially reconciles the difference in the cost of labor and material in this country and in Canada: Now, therefore,

Resolved, That it is the sentiment of the members of this association that a reduction of the present duty would inflict a serious and unnecessary injury to the labor and capital interested in the lime business in the United States.

Resolved, That the secretary of this meeting be, and he hereby is, directed to send a copy of this resolution to the Ways and Means Committee of Congress at Washington.

F. N. STRANAHAN,
Acting Secretary, Eastern Lime Manufacturers' Association.

THE KELLEY ISLAND LIME AND TRANSPORT COMPANY, CLEVELAND, OHIO, THINKS PRESENT DUTY ESSENTIAL TO PROSPERITY OF LIME INDUSTRY IN THIS COUNTRY.

CLEVELAND, OHIO, *February 8, 1909.*

Hon. HENRY S. BOUTELL, M. C.,
Committee on Ways and Means, Washington, D. C.

DEAR SIR: I understand that at just this time you are deciding upon the duty on lime into this country, and for this reason I desire to point out to yourself a few of the points against the reduction in the duty on lime into this country. The maintenance of the present duty on lime is absolutely essential to the lime manufacturers of this country.

Lime manufactured in Canada is the lime which would come into this country in large quantities if the duty was reduced, or taken off on this article. The Canadian manufacturers are able to manufacture lime much cheaper than we are in this country; due, first, to the lesser cost of fuel to them, and second, to the lesser cost of labor to them than it costs the manufacturers of this country. The cheapest and the best fuel to burn lime with is wood, and wood has become so scarce in the United States that only a small proportion of it is used here for lime burning. The Canadian lime manufacturers are situated where there is an abundance of wood, and this wood is used as fuel nearly exclusively by these lime manufacturers, and as a result they can produce a greater quantity of lime at a less cost per barrel.

Labor there is from 25 to 35 per cent cheaper, and in this they would have great advantage over manufacturers in the United States. The lime manufactured in this country for ordinary building purposes (which is the main thing that Canadian lime would be shipped in for) has decreased enormously in the last few years, and as a result there are to-day standing in the United States nearly twice as many kilns and manufacturing plants for the manufacture of lime as is produced. So that the more the foreign importations of lime come in the worse would it make the present conditions of the lime business in this country. The lime business in this country needs absolutely all the protection that can be given it, and, as a matter of fact, the duty should be increased if any change were to be made.

Also, the Canadian government tries to exclude any opportunity United States manufacturers might have of shipping into their country by putting on a duty of 20 per cent ad valorem, which is a higher duty than the United States duty is into the United States, viz, a

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duty of 5 cents per hundredweight. If Canada prevents American manufacturers from going into their country with a higher rate of duty than they have into this country, there is absolutely no reason why we should reduce the present tariff and make the difference between the two duties all the more marked.

Yours, very truly,

KELLEY ISLAND LIME AND TRANSPORT COMPANY,
LAWRENCE HITCHCOCK, *Assistant to President.*

HON. W. L. JONES, M. C., FILES LETTER OF THE TACOMA AND ROCHE HARBOR LIME COMPANY, ASKING PROTECTION ON LIME FROM CHINESE LABOR.

WASHINGTON, D. C., *February 8, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Ways and Means Committee,
House of Representatives.

DEAR SIR: I desire to call your attention to the inclosed copy of letter which I have received from the Tacoma and Roche Harbor Lime Company, of our State. I am personally acquainted with Mr. McMillin, the signer of the letter and president of the company, and know him to be a man of splendid character and ability, and I think I can vouch for all the statements made in his letter, as I am satisfied he knows the subject thoroughly about which he writes. I invite your careful consideration to this matter.

Very sincerely, yours, W. L. JONES.

TACOMA AND ROCHE HARBOR LIME COMPANY,
Roche Harbor, Wash., January 26, 1909.

Hon. WESLEY L. JONES, M. C.,
Washington, D. C.

DEAR SIR: We write to call your attention to an inequality and an injustice to us on import duty on lime. As you know, we are located right upon the British Columbia frontier. The market for lime in British Columbia is very limited, while the market for lime upon this side of the line is very extensive. The manufacturers of lime in British Columbia are able to turn out their product at a very low price by the employment of Chinese labor at about 90 cents per day. One of the manufacturers of lime upon that side told the writer a short time ago that that was what they paid their Chinese laborers. On this side of the line we pay from $1.75 to $2.50 per day for white labor. The manufacture of lime is practically a question of labor. You will thus note the great advantage in favor of the British Columbia manufacturers. The present rate of duty on importation of lime to this country is 5 cents per 100 pounds. British Columbia lime manufacturers are able to put their product on the markets of Puget Sound at a very low price. They are also able to reach the markets of the Hawaiian Islands by the Canadian Pacific Steamship's line of steamers at a lower rate than ourselves. This is accounted for

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in the fact that the Canadian Pacific line of steamers makes to them a much lower rate of freight to Hawaii than we are able to get from the Sound by American lines. The difference in rate of freight is more than enough to pay the duty, which thus places us at an actual disadvantage in competition with them in our own American market of Hawaii.

On the other hand, while the market in British Columbia is very limited, the manufacturers upon that side are protected against competition from us by a duty of 20 per cent ad valorem. In addition to that, the customs authorities on that side insist upon calculating the rate of duty upon an arbitrary selling price for our lime on this side without regard to the actual price at which we sell it or offer it for sale.

These conditions place us at a very great disadvantage, with the result that the British Columbia manufacturers are shipping their product largely into the Hawaiian Islands, the Oregon and Puget Sound markets in competition with us on a basis of lower cost of labor in production, while we are shut out of their markets by a protective law. We have no complaint to make of their law if they see fit to protect themselves to that extent. We do think, however, that it is manifestly unfair for our laws to permit them to stand behind an impregnable wall of protection and thus invade our markets at will. These invasions are also made in sweeping cuts in the price of lime in order to try and force us to buy off their competition. In fact, they have repeatedly made deliberate offers to remain out of our markets entirely for a cash consideration, without which they insisted upon continuing to practice piracy upon our markets, knowing that we have no means of retaliation under the existing laws. The injustice of this situation should be manifest to you. We presume some changes will likely be made in the tariff schedule during the present session of Congress. We therefore write to ask you in connection with our other Representatives in Congress to endeavor to secure some relief for us sufficient to cover the inequality above mentioned. We think the rate of duty on importation of lime under the circumstances should not be less than 25 per cent ad valorem. A more satisfactory basis, however, would be a duty of 25 cents per barrel of 200 pounds.

There are five companies manufacturing lime on Puget Sound at this time. They employ collectively, directly and indirectly, in the neighborhood of 500 or 600 men and have a capital engaged of more than $1,000,000 in value. All of these institutions and their employees are greatly interested in this subject, and will be grateful for any effort that you may make in their behalf.

We will send similar letters to our other Representatives in Congress from this State, and especially ask the cooperation of all the members of our delegation upon this subject in the hope that we may have as early relief as possible for the reason that every day represents a very large loss to us on account of the slaughter of prices which is represented by the acts of piracy practiced upon our markets from across the line.

Thanking you in advance for any effort, and hoping to have an early reply, we are,

Very truly, yours,

TACOMA AND ROCHE HARBOR LIME COMPANY,
By JOHN S. MCMILIN, *President.*

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PUMICE STONE.

[Paragraph 92.]

JAMES H. RHODES & CO., OF CHICAGO, ILL., FILE SUPPLEMENTAL STATEMENT RELATIVE TO PUMICE STONE.

CHICAGO, *January 23, 1909.*

Hon. S. E. PAYNE, M. C.,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We have carefully noted the statements made by Mr. Garlow relative to pumice, reported in your hearing for December 4, and beg leave to submit the following facts as contra evidence, which we trust will receive the careful consideration of yourself and committee.

Mr. Garlow states that the Cudahy Packing Company's cost of pumice stone f. o. b. the cars for shipment is $13.75, and the freight to New York is $11.40, making an f. o. b. New York price of $25.50.

We clearly show in our statement of December 7 that the actual cost of producing American ground Italian pumice stone is $23.50 f. o. b. New York. Mr. Garlow works on the assumption that there is a quantity of pumice stone consumed in New York. The fact is that 65 per cent of all the pumice stone we make is consumed west of a line drawn from Buffalo to Harrisburg.

To arrive at a fair idea of what their chances in open competition would be, we show the comparative costs per ton of the Cudahy pumice and Italian pumice at the largest consuming centers.

Cudahy's pumice.	Price per ton.	For Rhodes's Italian pumice shipped from their Brooklyn mill.	Price per ton.
Buffalo, N. Y.		*Buffalo, N. Y.*	
Cost f. o. b. Omaha	$13.75	Cost f. o. b. New York	$23.50
Plus freight from Omaha, at 45 cents per hundredweight	9.00	Plus freight from New York, at 15 cents per hundredweight	3.00
Total	22.75	Total	26.50
Cleveland, Ohio.		*Cleveland, Ohio.*	
Cost f. o. b. Omaha	13.75	Cost f. o. b. New York	23.50
Plus freight from Omaha, at 42 cents per hundredweight	8.40	Plus freight from New York, at 21 cents per hundredweight	4.20
Total	22.15	Total	27.70
Cincinnati, Ohio.		*Cincinnati, Ohio.*	
Cost f. o. b. Omaha	13.75	Cost f. o. b. New York	23.50
Plus freight from Omaha, at 37½ cents per hundredweight	7.50	Plus freight from New York, at 26 cents per hundredweight	5.20
Total	21.25	Total	28.70
Chicago, Ill.		*Chicago, Ill.*	
Cost f. o. b. Omaha	13.75	Cost f. o. b. New York	23.50
Plus freight from Omaha, at 27 cents per hundredweight	5.40	Plus freight from New York, at 30 cents per hundredweight	6.00
Total	19.15	Total	29.50

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The Italian pumice stone is produced by running drifts or tunnels into the sides of Monte Bianca, in the island of Lipari, Italy. The average depth of these workings would be 60 to 75 feet. I have personally examined them during two different trips. The pumice stone occurs in pockets and is mixed with coarser grades of stone, so that the lumps have to be separated; even the small lumps for grinding. It is then transported on the backs of burros and human beings for 2½ miles to the village of Canneto. During ten months of the year it is sent by a small steamer to Messina, where it is transshipped to New York. During two months of the year a vessel will occasionally stop at the island to take on a cargo.

Compare this difficult operation with the fact that this Nebraska silica occurs as a powder or "volcanic dust," as stated by Professor Barbour (in his glowing recommendation, which sounds as if it was dictated by the Cudahy Company's advertising department).

While it is necessary to first crush, then remove the moisture, then mill and then sieve Italian pumice, it is only necessary in their case to shovel the stuff out of the ground, dry it, and sift it. We speak from knowledge, having had the Cudahy's crude material in our Chicago warehouse and have examined it. Furthermore, there is a great deal of this Nebraska silica which is 4 to 10 inches under the surface of the ground.

QUALITY.

With a lower cost price in all of the principal consuming markets and the unlimited capital of the meat trust behind them, with local warehouses in every large city to aid their distribution, why should this industry ask a protection? The truth of the matter is that American silica—so-called pumice—never is and never will have the cutting power and other qualities possessed by the Italian article. That is why the Chicago Pumice Company, in which Mr. Quigley was formerly interested, failed; because they could not find a market for their stock. Before they failed they bought considerable Italian pumice stone from us, for which they still owe us.

ANALYSIS.

Of what weight are their analyses? Every chemist will tell you that the analyses of limestone and chalk are exactly the same; yet, any person without any knowledge whatever could tell you the difference between limestone and chalk, and one could not be used for the same purpose as the other. The same thing applies to many grades of fuller's earth and also to whiting, some of which sells for 75 cents and others at 30 cents, and they all analyze the same. Coal and diamonds also practically analyze the same and pumice stone and silica will analyze the same, yet there is a physical difference, the same as in limestone and chalk, that can not be overcome. Therefore their chemical analyses are of absolutely no avail. Pumice stone is used in soap only to make up weight and furnish grit, and silica or silica sand can be used for the same purpose, but you will notice that the Haskell Brothers Soap Company are the only consumers whom the Cudahy Company has ever sold a car to.

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They claim to have invested about $75,000, but this was invested before they ever dreamed of going into the pumice stone business, for the following reasons: The Cudahy Company have a scouring compound known as "Dutch Cleanser," the base of which is this silica, which they shovel up in Nebraska sometimes 4 inches under the surface. After three years it occurred to them that the same machinery and sifting apparatus which prepared the article for their use could just as well make some for the pumice stone market. Therefore, as far as an investment for the express purpose of competing in a general pumice stone market, they have not 1 cent. Why should they ask protection?

OCEAN FREIGHT.

He states that the ocean freight is $2.92 a ton. The lowest rate we have paid in a year is 18s., or $4.32 a ton.

AMERICAN LABOR EMPLOYED.

You have our statement that we employ and pay $25,000 for labor and American materials, and have an actual investment for the express purpose of furnishing pumice stone, and are liable to become bankrupt unless some protection is granted against Italian grinders.

DO JOBBERS OR BROKERS PREFER TO HANDLE THE ITALIAN PUMICE?

Mr. Quigley's statement is that jobbers do not handle his pumice stone because they could make two or three times as much in handling Italian pumice. This is absolutely ridiculous. It would be much easier for the average jobber to buy his pumice from the Cudahy Company and get delivery from Omaha at a week's notice rather than import his goods from Messina and have the money tied up for three months.

As to his statements that three times more profit is made on the Italian pumice stone than on their silica, you can see by the cost prices to the jobbers f. o. b. any city how ridiculous this statement is and that the jobber could make more money on Cudahy's product. But the fact is that it is not the proper article and does not take the place of Italian pumice stone.

PRESENT SELLING PRICES FOR CUDAHY'S AMERICAN PUMICE.

On October 14 the Cudahy Packing Company, W. H. Krebs, wrote us as follows:

We name you a confidential price, in carload quantity, of $19.50 per ton, sacked, about 375 pounds each, f. o. b. Chicago; and $22.50 per ton, barreled, about 350 pounds net each, f. o. b. Chicago. Terms, thirty days, or 1 per cent for cash in ten days.

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We purchased 2 bags on October 26, so we could test the material; copy of their bill is as follows:

Bought of the Cudahy Packing Company.

33 MICHIGAN AVENUE, CHICAGO, ILL.,
October 26, 1908.

Delivered from stock at Chicago; sales ticket No. 170515.
2 sacks XX pumice, 795 pounds, $19.50 per ton..... $7.75
Order No. 10897.

American-ground Italian pumice stone costs us at Chicago $29.50 per ton, yet they can sell their material at $19.50 per ton at a profit and still ask protection.

This statement is made with the hope that your committee will give us the necessary protection on the Italian pumice stone, which we grind at Brooklyn, and asked for on December 7, page 4058.

The writer would be especially anxious to appear before your committee and give any further information relative to these statements that you may consider necessary. We will also show in confidence any of our audits.

Yours, very truly, JAMES H. RHODES & CO.
ELMER R. MURPHEY, *President.*

HON. R. W. BONYNGE, M. C., SUBMITS LETTER OF J. A. McNAUGHTON, SOUTH OMAHA, NEBR., RELATIVE TO PUMICE.

SOUTH OMAHA, NEBR., *January 30, 1909.*

Mr. C. E. STUBBS,
Denver, Colo.

DEAR MR. STUBBS: The Cudahy Packing Company has presented through its representative, Mr. M. T. Garlow, a proposition to the congressional tariff committee to place a duty of one-half cent per pound on imported pumice, and there are some others, who are also interested in the proposition, likewise working to the same end.

Such others and the Cudahy Packing Company own more or less pumice located in Kansas and Nebraska, and there are also large quantities in Colorado and Utah as well as several other States. The pumice owned by the Cudahy Packing Company is now confined to the manufacturing of "Old Dutch Cleanser," a cleaning and scouring compound.

The Cudahy Packing Company has made a very thorough and exhaustive examination into the uses of pumice in the commercial world generally and find that there is quite a large quantity used in various ways, but the trade is supplied practically 100 per cent by foreign pumice produced in Italy, quite accessible to shipping ports, at a nominal labor expense, and brought to this country as ballast and at a nominal transportation expense. The practice is to ship it in rock form, and it is ground up and graded at the Atlantic seaboard, being distributed from there into the territory east of Chicago, which, as you will appreciate, is the most densely populated, and hence the field for the sale of this article.

After having obtained prices at which the product is distributed throughout the eastern territory and figured on the cost of production of the American article, it is plainly evident that the American article can not be marketed under the present nominal duty assessed against

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the foreign; hence our only hope lies in the direction of getting a duty of at least one-half cent per pound placed against the foreign article, and this we figure will not be prohibitive but protective.

Certainly the State of Colorado, as well as many other western States, are vitally interested in this because the development of the industry means the disbursement of a large amount of money. The article now lies in the ground valueless; it ought to be taken out and made to yield a large sum to the laboring element of our country, and it will be if we can properly impress the congressional committee with the merits of our case.

Mr. R. W. Bonynge, one of your representatives, with an office in the Equitable Building, is a member of the Congressional tariff committee, and I will very much appreciate your doing what you can to impress upon him the importance of this proposition to the western country, particularly the State of Colorado. You may say to Mr. Bonynge that you are well assured that ample capital lies ready to develop this industry whenever it has received such protection as the conditions clearly require.

It would be well to impress upon Mr. Bonynge also that there is a very wide field and the deposits are so extensive, covering over such an area of country, that it would be impossible for anyone to get a monopoly even if he were so disposed. The field is open for everyone, and unquestionably within a few years time American industry and ingenuity will materially lessen the cost of production so that the trade will buy it fully as cheap, if not at less cost than the foreign article, but without some protection to foster the proposition there is no sane person who would be willing to put his capital into the business, which, as it appears to-day, has no show of successfully competing with the foreign article.

Then again we have got to consider the prejudice that exists for the foreign article, which has been tried and found satisfactory, while the American article is to a great extent untried, but the congressional committee was given such proof as satisfied them that the American pumice exists in kind equal to any foreign production and in quantities sufficient to meet the American requirements for many years to come.

Another thing. Those interested in the foreign article have never tried to see how much they could increase the use of this very useful material, and I believe that if American industry got hold of it or was given any reason to take hold of it with a fair chance to make a living the uses would be very much increased.

You will pardon me for troubling you with this proposition, but I know that your influence will be very valuable to the Cudahy Packing Company, and I wish to assure you that anything you can do toward helping out on the subject will be highly appreciated.

Of course I do not know how close you stand to Representative Bonynge, but it is a proposition that really should not require very much argument to convince that gentleman that the interests of his State are at stake. The time to do effective work is now.

I should very much appreciate an expression from you.

With kind regards and best wishes, I am,

Yours, very truly,

J. A. McNAUGHTON,
Traffic Manager Cudahy Packing Company.

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ASPHALTUM.

[Paragraph 93.]

J. W. HOWARD, NEW YORK CITY, SUGGESTS A NEW CLASSIFICATION FOR ASPHALTUM AND ITS COMPOUNDS.

1 BROADWAY, NEW YORK, *January 12, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Permit me to submit the following statements on the subject of tariff on asphalt and its compounds, speaking, as I do, from the standpoint of a consulting engineer of municipalities, etc., in almost every State, having devoted the greater part of my time during the past twenty-one years to pavements, especially to asphalt pavements, which absorb more than 90 per cent of all asphalts imported and produced in the United States; also from a personal knowledge of practically all the sources of asphalts, cost of production, refining, shipping, etc., together with their qualities and quantities used annually.

First. The tariff act of 1907 provides a duty of $1.50 per ton on crude asphalt and $3 per ton on refined asphalt.

This should be modified by a reduction on crude and a slight change in the rate and manner of applying it to refined asphalt, to have it apply to the pure bitumen or pure asphaltum content in the various refined asphalts and their compounds imported. It is the asphaltum or bitumen which is of value in such importations, not the various foreign substances found in different proportions in different asphalts.

The modifications I suggest below are in accord with the Republican platform promise that "the duties will equal the difference between the cost of production at home and abroad, with reasonable profit to American industries."

Crude asphalt and crude bitumen and their natural compounds should be returned to the free list, being admitted free of duty; but any and all of said substances, if refined or advanced in value by artificial or special treatment, should pay a duty of $5.60 per ton (2,000 pounds) of pure asphaltum or pure bitumen content.

This is the differential in cost of production, labor, mining, refining in the United States, with a fair profit, compared with like foreign materials. This also takes into account the average transportation charges within the United States for domestic asphalts from many points where now produced in the United States (California, Utah, Colorado, Oklahoma, Kansas, Kentucky, Texas, etc.) to several hundred cities where such domestic products compete with imported asphalts such imported asphalt all arriving on the Atlantic seaboard and not being able to penetrate far because of westbound freights.

Second. To return crude asphalt to the free list and to place refined asphalt upon a scientific and economic basis of its purity, as suggested, will encourage and add to the labor of refining foreign products after importation into the United States. This will also assist the producers of American asphalts, because they are purer and, as a whole, superior to imported asphalts, not only in quality, but because a less

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quantity is needed to produce the same area of pavement, waterproofing, and other constructions.

Third. A healthy competition, not only between producers of domestic asphalts, but with foreign asphalts, has existed for a long time. The foreign asphalts also compete against each other. The production of domestic asphalts during the past ten years has increased 500 per cent, or to more than five times the amount per annum of domestic production ten years ago; whereas the importations of foreign asphalts have steadily decreased, until, during the past year, the amount of importations, on a pure bitumen or pure asphaltum basis, are only about one-half the quantity of domestic production. Ten years ago the quantity imported was more than twenty times the domestic production.

The history of asphalt, which is used as a bituminous cement, is following the history of Portland cement in the United States. All Portland cement was formerly imported, but is now produced in the United States cheaper than the cost of foreign Portland cements f. o. b. foreign ports. American Portland cements are being exported. Very little foreign Portland cement is imported. Asphalt, or its equivalent, asphalt cement, has displaced during the past ten years, one-half of the importations, and under a modified tariff, as suggested in section first above, will continue, under a healthy competition between domestic asphalts, to replace practically all imported asphalts.

An illustration of the present healthy competition is found in the several powerful groups and many small producers which compete with each other at home; several exporting from the United States. (*a*) A California group, which combined about 10 producing companies under the leadership of the manager of what is understood to be the sales department of the Union Oil Company, and manager of the "California Asphaltum Sales Agency," of which Mr. Fillmore Condit is resident eastern agent at New York. This agency and about a dozen other competing producers in California have a special $10 per ton freight rate to Atlantic seaboard cities, with proportional reductions to interior points. Incidentally, permit me to state a few errors from oversight or lack of knowledge of cost of production, refining, etc., of foreign asphalts, including the omission to mention several American asphalts produced at different parts of the United States between California and Texas; which errors and omissions appear in the statement of Mr. Condit before your committee on November 23, 1908, including additional statement dated New York, December 3, 1908, viz:

"That low tariff has never benefited American consumers of asphalt or American cities." It benefits both, because the real consumers are the thousands of contractors and builders who purchase asphalt and asphalt cement. The final consumers are the property holders and taxpayers who are assessed to pay for pavements constructed by municipalities. Pavements alone absorb 90 per cent of all asphalt produced at home and imported.

"That Bermudez asphalt when refined and sold f. o. b. New York costs the company $12.50 per ton," or a tabulated statement to this effect. He forgets to add $7 per ton, mentioned at another point in his statement, which must be paid to Venezuela to cover the cost of

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production, and a profit in the form of an export duty there. Therefore the cost to the American producer of this asphalt f. o. b. cars New York should be $19.50 per ton without any allowance for a loss of 28 per cent of the imported crude which occurs by refining. Nor has he added anything for profit. The California asphalts and other domestic asphalts have for many years been sold at a cheaper rate per ton than imported asphalts at almost every point in the United States, including cities on the Atlantic coast. Domestic asphalts enjoy a practical control of the center and west of the United States because of the westbound freights needed to be added for delivering imported asphalts to western points.

(*b*) A Trinidad group which leases a deposit in Trinidad, West Indies, from the Crown of England, to the New Trinidad Lake Asphalt Company, which company, with the Barber Asphalt Paving Company, is owned or controlled by the General Asphalt Company. This group, directly or indirectly, controls or produces American asphalts in California and other States. It is possibly the strongest group and does not depend entirely upon either foreign or domestic asphalts. It uses both in cities located between the Atlantic and Pacific coasts.

(*c*) A Venezuela group which may be regarded as composed of the A. L. B. Asphalt Company, importing Bermudez asphalt from Venezuela and selling it to members of the "Independent Asphalt Association" and others. This group includes 25 or more contractors and purchasers. Cost of production and especially freight rates from New York to the West, where most asphalt is used, prevents Bermudez or Venezuela asphalt from more than a feeble competition with domestic asphalts.

(*d*) A Texas group is not one of a combination of companies, but means that there are several producers, such as the Texas Company, the Sun Company, the Ellis Company, and others, producing asphalts which compete with each other and with all others from elsewhere. These Texas asphalts are extensively used for many purposes and are regarded as sold at lower rates to consumers than asphalts from any other source and delivered at cities not only on the Atlantic coast but in the Middle West.

(*e*) A Kansas-Indian Territory group of producers has a large refinery in Kansas and competes, with its products of various asphalts or bitumens, over a large area as far east as New York City. This is probably the newest source of supply.

(*f*) A Utah group of producers competes within itself and with others. It has long supplied special high-grade asphalt for various uses, and because of its peculiar excellent quality for purposes generally other than paving it is sold for the highest prices and even exported.

(*g*) Miscellaneous producers of asphalt and its natural and prepared compounds are located in Kentucky and at other producing points in the United States. Although individually many are small, their aggregate production is large.

Fourth. The cost of production of refined asphalts from domestic crude materials is not affected whether or not crude foreign asphalts are subject to duty. This is because California produces refined asphalt f. o. b. there probably cheaper than any other refined asphalt

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is produced in any part of the world. This is due to the enormous amount of asphalt base or maltha, thick oil found over large areas of that State and which, with little labor and the use of some of the oil itself as fuel, is made into refined asphalt. The problem of California asphalts is entirely one of freight. In fact, this applies to almost all locations of domestic production of crude and refined asphalts. Each governs a large area or zone within which it is produced. This is somewhat analogous to the production and supply of coal from different coal-producing centers of the United States. An increased duty on crude foreign asphalts might tend to enable the California combination, in conjunction with possible special freight rates, to crush other domestic producers in the United States, certainly to seriously damage all importers of asphalts by artificial tariff means, which would check the present healthy competition and development of the asphalt resources throughout our country.

The Trinidad group, while benefited a little by returning crude asphalt to the free list, would probably pay equivalent duty on imported refined asphalt or would abandon slowly the use of what is regarded by some as an inferior foreign asphalt and increase its domestic production to the benefit of American industry and labor.

The Venezuela group would be possibly likewise affected and could turn to the production and sale of American asphalts. It is a wise policy for the Government to help keep the Venezuela asphalt as an independent competitor, as it has been since the withdrawal of the Bermudez deposit from the control of the Trinidad group. Since this withdrawal the exportation of Venezuela asphalt has enormously increased and not been kept at a minimum, as it is believed by many was the case when the Bermudez deposit was controlled by Trinidad interests.

The California, Trinidad, and Venezuela asphalt groups seem to maké efforts to get the United States Government to help now one then the other, to get the upper hand, through reduction or increase of duties or otherwise. The best policy in reference to tariff on asphalt seems to be the one advocated in section first of this communication.

Fifth. The railway companies would probably absorb by increased freight rates a large part, if not all, the increase of price of asphalts which might accrue in a few cases from an increase of duty. The present adjusted freight rates on asphalt, used as it is by several hundred cities, is the result of twenty-seven years, growth of the asphalt industry, especially of asphalt pavements, of which about $60,000,000 worth are upon the streets of cities and of which more than $6,000,000 worth are being laid annually.

In addition to cities there are thousands of counties in many States which are endeavoring, through State and national aid, to conserve and improve their roads with asphaltic compounds—all at public expense. This means that there is a large and increasing demand for asphalts and asphalt products at low prices, necessary for such improvements. This can be readily verified from the printed reports of the Office of Public Roads of the Department of Agriculture and from the highway departments doing excellent work in several States in an aggregate amount of at least $10,000,000 annually of new public roads.

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Hoping I have not encroached on your patience, and that you will know that I am speaking from a professional engineering standpoint, without commercial bias, for the benefit of good roads and pavements of good quality and at minimum cost, I remain,

Very respectfully, yours,

J. W. HOWARD,
Consulting Engineer Roads, Streets, and Pavements.

WALTER F. SLADE, COMMISSIONER OF PUBLIC WORKS, PROVIDENCE, R. I., WANTS CRUDE ASPHALT MADE FREE.

WASHINGTON, D. C., *February 5, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means.

DEAR MR. CHAIRMAN: I inclose herewith a communication received to-day from the commissioner of public works, Providence, R. I., in favor of the admission of crude asphalt free of duty, which communication I should like to have printed in the record if it is not too late.

I am, very truly, yours, D. L. D. GRANGER, *M. C.*

PROVIDENCE, R. I., *February 4, 1909.*

Hon. D. L. D. GRANGER,
House of Representatives, Washington, D. C.

DEAR SIR: I am informed that there is a strong movement toward increasing the duty on asphalt. I feel that it is a duty that I owe to this city to briefly call your attention to the subject and to state that any duty imposed upon asphalt, especially crude asphalt, will necessarily increase the cost of asphalt pavements.

It is a matter of great importance to eastern cities and towns. The advent of the automobile demands new methods of road construction for both urban and suburban traffic, that will call for a continually increasing use of the article of asphalt.

As an encouragement to economically build and maintain good roads, I would ask that the article of crude asphalt be admitted free of duty.

Yours, respectfully, WALTER F. SLADE,
Commissioner of Public Works.

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POTTERY.

[Paragraphs 94-96.]

THE ONONDAGA POTTERY COMPANY, SYRACUSE, N. Y., SUBMITS TABLE SHOWING EFFECT OF REAPPRAISEMENT OF VALUES OF IMPORTED HOLLAND GOODS.

SYRACUSE, N. Y., *February 27, 1909.*

Hon. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: I beg to hand you herewith a copy of the decision of General Appraisers in the case of George Borgfeldt's importations of Holland earthenware. We think that this decision emphasizes the necessity of some different method of valuation.

By referring to the inclosed memoranda of decision you will find a lot of articles which are not marked at all. These are articles which are sold in Holland. You will notice that in nearly every case they have been advanced, and the advance is to make the import price agree with the wholesale selling price in Holland.

Notice again items which are marked "*a.*" In these cases the articles are not sold in Holland, but are sold in other countries. They also are advanced, nearly all of them, and this advance is to make the import price agree with the export price from Holland to other countries.

The third class of items, those marked with a "*b,*" are items which are sold, or which we can only show to have been sold, to Borgfeldt and no others. You will notice in every case the import prices to Borgfeldt & Co. have been maintained.

We feel that this decision in itself is the strongest evidence of the impracticability of arriving at a just valuation of the goods under the administrative features of the old tariff bill. Of course we can understand the howl made by the importers against a change to an American valuation. It would be so simple that fraud would be easily detected, while the methods necessary to get at a valuation under the administrative features of the present tariff law are so complicated that it is hardly possible to get experts to agree on what is or is not a true valuation. The more complicated the method of determining the valuation is, the greater ease there will be in evading the law.

Very truly, yours,

ONONDAGA POTTERY CO.
JAMES PASS.

EXHIBIT A.—*Decision of general appraisers—G. Borgfeldt's Holland earthenware.*

	No.	Entered.	Reappraised.
Plates:			
Print	32/526	0.499	0.579
Decorated	36/507	.822	.886
Print	37/517	.676	.813
White	38	.456	.576
Lustre	38/507	.98	1.05
Decorated	89/507	.894	.964
White	274	.375	.448
Do	278	.458	.576
Do	280	.458	.576
Do	408	.499	.589
Do	409	.499	.589

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EXHIBIT A.—*Decision of general appraisers—G. Borgfeldt's Holland earthenware*—Con.

	No.	Entered.	Reappraised.
Plates—Continued.			
Print	36/526	0.624	0.715
White	37	.447	.554
Print	27/526	.676	.813
Do	38/567	.686	.95
White	89	.447	.554
Do	248	.478	.652
Do	276	.437	.537
Do	279	.447	.554
Do	402	.499	.589
Print	408/980	.759	.834
White	415	.499	.589
Bowls:			
Print	3/517	.281	.399
Decorated	5/767	*b*.385	.385
Do	8/507	.863	1.031
White	9	.447	.531
Decorated	9/639	*b*.833	.833
Print	10/515	.634	1.344
Decorated	10/507	*a*1.04	1.20
Painted	11/575	.842	1.63
Decorated	11/507	*a*1.24	1.41
Do	12/507	*a*1.66	1.812
Do	14.507	2.86	3.289
Do	15/507	3.74	4.121
Do	17/507	*b*5.20	5.20
Do	353/767	*b*.78	.78
Do	3/507	.426	.496
Print	6/515	.406	.489
Do	6/567	.447	.635
Do	9/632	.634	1.018
Decorated	9/507	.936	1.05
Print	10/567	.714	1.467
Decorated	10/639	*b*.884	.884
Print	11/567	.936	1.711
Do	11½/567	*a*1.196	1.306
Do	12/567	1.31	2.037
Do	14/567	2.371	3.36
Do	15/567	3.14	4.034
Do	17/567	*b*4.368	4.368
Teas:			
White	55	.551	1.026
Do	59	*a*.551	.708
Do	94	.551	1.026
Do	294	.551	1.026
Do	401	.551	1.026
Print	60/567	.717	1.10
White	62	.499	.815
Print	151/526	.717	1.10
White	293	.499	.88
Do	292	.469	.774
Print	55/517	.77	1.369
Do	94/526	.77	1.369
Decorated	294/567	.832	1.369
Do	295½/567	*b*.832	.832
Print	407/980	.77	1.467
Decorated	60/507	*a*1.902	1.151
Do	62/507	1.092	1.354
Do	151/507	*b*1.092	1.097
White	404	*b*.52	.520
Salads:			
White	285	*b*.572	.529
Print	315/517	*b*1.144	1.144
Do	317/517	*b*.489	.489
White	410	.27	.635
Print	314/517	*b*1.404	1.404
Do	316/517	*b*.884	.884
Do	318/517	*b*.406	.406
Saucers:			
Decorated	18/507	*b*.364	.364
Print	19/567	.291	.342
White	281	.187	.236
Print	19/526	.291	.342
Decorated	19/507	*b*.364	.364
Oatmeal:			
Print	263/526	*b*.406	.406
Decorated	264/507	*b*.759	.759
Jugs, print	301/526	*b*.832	.832
Rice dish, decorated	29/507	1.76	1.938
Nap. plate, print	26/567	*a*.832	.91

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POTTERY AND GLASSWARE.

HON. WILLIAM H. DRAPER, M. C., FILES PETITION OF CERTAIN NEW YORK WHOLESALERS OPPOSING INCREASE OF DUTIES ON CROCKERY, CHINA, AND GLASSWARE.

SANDY HILL, N. Y., *January 25, 1909.*

Hon. WILLIAM H. DRAPER, M. C.,
Washington, D. C.

DEAR SIR: Inclosed I hand you petition to be handed to the Ways and Means Committee, which explains itself, as a protest against any increase in the duty on crockery and china.

As one of the signers I desire to say that we deal in both American and foreign earthenware and are familiar with the merits of both, and this petition is signed by, so far as we know, every dealer in the towns through which a commercial traveler has been recently, and he says that every dealer to whom he presented the petition signed it without qualification.

While we believe in reasonable protection on American industries, we think the duty on earthenware, nominally 55 per cent on white and 60 per cent on decorated, counting the same duty on the outside packages, which makes really a protection of between 80 and 90 per cent, is high enough, and to put it higher would be to cut down the revenue to the Government and also bar out many kinds of useful earthenware.

Truly, yours, WARREN P. BURR.

The undersigned dealers in crockery, china, and glassware, dealers in both the foreign and domestic products, familiar with the merits and value of each, view with alarm the purpose of the United States Potters' Association, the attempt to add new tariff taxes on an article of necessity of every family in the land.

We believe the present duty while nominally 55 per cent on white and 60 per cent on decorated is really more than 85 or 90 per cent protection.

We believe in giving the consumer the benefit of reasonable competition.

The attempt to engraft a specific duty appears to us unnecessary, calculated to disguise and blind the real rate of tariff tax imposed.

Henry B. Belknap, Boonville, N. Y.; Alton Bros., Antwerp, N. Y.; A. Bushnell & Co., Watertown, N. Y.; E. H. Murray, Watertown, N. Y.; Chas. A. Ellis Co., Clayton, N. Y.; Cornwall Bros. Co., Alexandria Bay; Nathan Frank Sons, Ogdensburg, N. Y.; W. E. & J. B. MacGregor, Massena, N. Y.; A. H. Mould, Malone, N. Y.; J. H. King, Malone, N. Y.; Adirondack Hardware Co., Saranac Lake, N. Y.; The Tuttle & Parshall Co., Plattsburg, N. Y.; Myers & Belden, Plattsburg, N. Y.; Frank L. Brust, Ticonderoga, N. Y.; Warren & Bun, Sandy Hill, N. Y.; B. B. Fowler Co., Glenn Falls, N. Y.; Bickley Bros., Glens Falls, N. Y.; Towne Hardware Co., Saratoga, N. Y.; The John G. Myers Co., Albany, N. Y.

N. B.—Every signer a dealer in crockery, china, and glassware.

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CHINA INSULATORS.

[Paragraph 95.]

HENRY CREANGE, NEW YORK CITY, THINKS CHINA INSULATORS SHOULD BE FREE OR THE DUTY REDUCED.

27 BARCLAY STREET, NEW YORK,
January 18, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Under paragraph 95 of the tariff act china insulators used for the transportation of electric power, if imported, would pay a duty of 55 per cent ad valorem. Owing to the duty, however, practically none are imported, but on the contrary they are manufactured and exported from the United States to all parts of the world. The cost of labor of these articles is comparatively small, nearly all of them being cast and the greatest percentage of expense being the cost of filing and the material used. On account of the great weight of these insulators and the elaborate packing they require the transportation and packing charges should be ample protection for the American manufacturers, and I therefore ask that these articles either be placed on the free list or a duty not higher than 10 per cent be placed thereon. It is suggested that a low duty on these articles would result not only in an increase of revenue to the Government, but would benefit the consumer.

Respectfully, HENRY CREANGE.

CARBON ELECTRODES.

[Paragraph 98.]

C. H. HALCOMB, CAZENOVIA, N. Y., THINKS CARBON ELECTRODES FOR STEEL MAKING SHOULD BE FREE OF DUTY.

CAZENOVIA, N. Y., *February 17, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The electric furnace is destined to play a very important part in the steel making of the future, and the one which is recognized as the best was invented by Dr. Paul Heroult, of La Praz, France. Several of his furnaces are now in use in Europe, and are being introduced into the United States also. This Heroult furnace is worked by two electrodes, each of which weighs from 1,000 pounds upward, according to the size of the furnace. The present tariff provides a duty of 35 per cent ad valorem on electrode carbons which are used for arc lights.

Large electrodes for electric melting furnaces weighing over 500 pounds each are assessed at 20 per cent ad valorem, as manufactures not otherwise provided for. These electrodes are made of pure retort carbon, which is the principal cost of their production, the labor required being a very small item of the cost.

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Retort carbon is a by-product from coal gas, and, as water-gas production is growing very rapidly in the United States, retort carbon is getting very scarce.

The present rate of 20 per cent duty on these large melting electrodes would seriously hamper the development and progress of electric steel making in this country, and as American makers who make electrode carbons for lighting purposes are unable to produce these large electrodes for smelting purposes satisfactorily, I respectfully suggest that electrodes for electric smelting furnaces weighing above 500 pounds each be placed on the free list.

This would not interfere with any established business here nor with any product now made in this country.

Very respectfully,

C. H. HALCOMB.

ELECTRIC-LIGHT CARBONS.

[Paragraph 98.]

THE NATIONAL CARBON COMPANY, CLEVELAND, OHIO, WISHES CARBONS FOR ELECTRIC LIGHTING ASSESSED FOR DUTY ACCORDING TO THEIR LENGTH.

CLEVELAND, OHIO, *February 16, 1909.*

GENTLEMEN: Our attention has been called to letters sent to the various lighting companies by some of the importers, relative to tariff on electric-light carbons, and on account of the misleading and incorrect statements contained therein we feel that a statement of facts is in order.

The tariff of 1897 reads, "Carbons for electric lighting, 90 cents per 100," and there can be no doubt that Congress intended this to cover lengths which were then and are still used commercially. Our petition to the Committee on Ways and Means simply asks that the word "feet" be added, making the duty 90 cents per 100 feet. Under the present tariff 9½ inch carbons carry the same duty as 12 inch, and as the average of lengths used is not more than 11 inches, the change we have asked would really be equivalent to a reduction of 8⅓ per cent, since the average duty collected would be only eleven-twelfths of 90 cents per 100 pieces.

We are only seeking to have the new tariff provide for a duty in proportion to the length of the carbons, and thus prevent a practice which has developed during the past five years of importing carbons in double and triple lengths. That this practice has added greatly to the profits of importers can not be denied; but they have retained the money they saved by importing the equivalent of two or three electric-light carbons and paying duty for one, without giving any benefit to the consumer in whose interest they now claim to be acting. The statistics compiled by the Department of Commerce and Labor show that the declared value of carbons for electric lighting imported during the fiscal year ended June 30, 1908, increased 217 per cent over that of 1903, and that the duty paid increased only 37 per cent. In 1897 not more than 10 per cent of the high-grade carbons used in

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the United States were made at home, not sufficient to have a restraining effect on the importers, who in that year fixed prices, which were very much higher than was justified by tariff. Since that time prices to the consumer have been reduced 15 to 20 per cent, and this reduction is due entirely to the competition of domestic manufacturers.

You will therefore perceive how false are the importers' statements that we are seeking to have the tariff doubled and that the change we have asked would permit increasing prices on high-grade carbons $9 per 1,000. The policy of this company has always been to reduce prices as economies in manufacture are effected, and no change in this policy is contemplated.

Very truly, yours,

NATIONAL CARBON COMPANY,
N. C. COTABISH,
Sales Manager.

GINGER ALE BOTTLES.

THE CLICQUOT CLUB COMPANY, MILLIS, MASS., THINKS THAT GINGER ALE BOTTLES SHOULD BE TAXED.

MILLIS, MASS., *January 19, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: The present duty is 18 cents a dozen on ginger ale, but there is no duty on the bottles. The empty bottles are sold at 15 cents a dozen or more, which virtually makes the tariff only 3 cents a dozen. These bottles can be purchased abroad at about $2 a gross, but they can not be produced in this country for less than $3 a gross. It seems to us that there should be a tariff on the bottles, and thus preserve what is evidently intended to be a tariff of 18 cents a dozen on ginger ale, instead of a fictitious duty, which is really but 3 cents.

Very respectfully, yours,

CLICQUOT CLUB CO.

PLATE GLASS.

[Paragraphs 103-107.]

THE PITTSBURG (PA.) PLATE GLASS COMPANY FILES SUPPLEMENTAL BRIEF IN ANSWER TO THE STATEMENT MADE BY SEMON BACHE & CO.

FRICK BUILDING, PITTSBURG, PA.,
February 2, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We have received the supplemental brief and appendix filed by Messrs. Semon Bache & Co., January 11, 1909. Replying to the same, we wish to say that this long brief has the fault of proving altogether too much. This fault is very common with people who attempt to discuss problems with regard to which they

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have no actual knowledge, and, unfortunately for you, such an argument drawn out to such length involves on our part a reply altogether longer than is necessary to treat real (not imaginary) facts. If they had confined this to the five propositions which they lay down, our reply could be simple and short. We will take these five assumed propositions up first and leave the other matter for later consideration:

1. That the present tariff is prohibitory on plate glass for ordinary purposes, store fronts, windows, and building purposes in general.

So far as this relates to glass over 10 square feet in area, we gladly admit the fact, and have always maintained that the tariff as constructed was unfair—the duty on large glass being too high and the duty on small glass being too low. This fact needs little argument. The imports themselves clearly sustain it; but please do not forget that the imports show just as clearly that the duty on small glass is too low as the other fact, that the duty on large glass is too high, and one fact can not be accepted without the other.

2. That of the glass now imported a great part consists of a grade that, commercially speaking, is not obtainable in the United States, and that practically all of the importation consists of glass for special purposes imported by reason of superior quality and not on account of low prices, and that this market can in no sense be described as a "dumping ground."

So far as this proposition sets forth the fact that the glass imported consists of glass of superior quality it is also admitted. But the question immediately arises as to why it "is not obtainable in the United States."

In the first place, there have been times prior to 1900 when this glass was obtainable and when the imports of it were very small (note the small imports for the years 1897, 1898, and 1899), due to the fact that the difference between foreign and domestic cost was not so great, and we were receiving a much better price for large glass at that time, which kept up our average price. While the prices at which some of this imported glass has been brought in may seem like remunerative prices as compared with our cost, the serious trouble with the American manufacturer arises from the fact that in cutting up large glass, from which the best quality is obtained, and which usually exists in patches here and there with defective quality between, he secures in addition to the small sizes of desirable quality required to supply the consumption now being taken care of by the imports such a large quantity of other smaller sizes and strips of inferior quality that the resultant average price is altogether too low. Hence we have been helpless. This is evident; otherwise the imports would not have existed.

The great decrease in imports referred to during the calendar year 1908 was due not to the causes stated, although they may have had slight influence in the matter, but primarily to two other reasons:

(*a*) Because the business of the furniture manufacturers of the country, who are the great consumers of this product, fell off about 50 per cent during the year 1908; and

(*b*) To the fact that the mirror manufacturers of the country were loaded up with very heavy stocks of imported glass when the panic came, and also had large quantities to arrive, so that they had nearly enough to supply the limited demand for the calendar year 1908.

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3. That the principle of a flat rate of duty is incorrect.

It seems axiomatic that the rate of duty should represent the difference between foreign and domestic cost, quite irrespective of whether the cost of production is the same for small as for large sizes. The fact would still remain that the difference between producing small sizes there and here must be just as great as the difference in cost of producing large sizes, because the same difference in cost that surrounds the manufacture there and here pertains to the one range of sizes as much as to the other. But as a matter of fact the difference in producing small and large sizes is substantially the same, and the production of plate glass the world over, no matter where made, has always been figured and considered at so much per foot, irrespective of the sizes produced.

Their argument, based upon factory conditions, is entirely irrelevant, because it is based upon ignorance. No one who has ever actually been engaged in the manufacture of plate glass would dispute this proposition. It is true that glass in the casting department does undergo a kind of inspection, but it is an inspection of the crudest character, due to the fact that nothing but defects of the most glaring nature can be seen in glass in its rough state. In the first place, the plates must be cut, i. e., squared up; otherwise they can not be safely handled or advantageously laid on the grinding tables; and in squaring up the plates any defects sufficiently glaring to be seen in the rough glass are cut out. The trimmings resulting from these operations have no value except as cullet to be remelted, which is trifling. The sizes resulting pass on through the grinding and polishing departments into the warehouse; and the entire cost of production in casting, grinding, and polishing departments is based upon and charged to the feetage thus produced, irrespective of size, the actual inspection not being possible until the glass is polished and passed into the warehouse where nearly all the small glass is produced in the cutting necessary to eliminate the defects which could not be seen until the glass was finished.

As a matter of fact, you will see that this being true, that the production of small sizes really is somewhat more expensive than the production of the large sizes. To illustrate: A plate containing 100 square feet which had no defects would be sold full size and net the manufacturer 100 square feet. If the plate had contained a large number of defects, as most plates do, it would have to be cut up into a great many smaller sizes, resulting in strips and waste, for the purpose of eliminating defects. Hence, in addition to having smaller sizes, which yield him a much smaller price, he would have an initial cost of 100 feet of glass to produce 90 feet of actual sizes; hence these small sizes actually cost more than the large. If this is not sufficient to justify the flat rate, also please bear in mind that the United States is the only country in the world having a graduated scale of brackets, with such radical differences in the rates of duty imposed. Germany, where the matter had very careful consideration by the German tariff commission, so much talked of, imposed a flat rate of duty equivalent to 0.1242 cent per square foot on all sizes. Other European countries have done the same. France has three brackets, but the rates of duty on two of them are the same, i. e., under 5 feet and above 10 feet, with just a slightly lower rate of duty on the bracket from 5 to 10 square feet. Italy has two brackets, with only a slight difference between them.

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4. That the difference in the cost of production here and abroad is not an average of 18 cents per square foot, as claimed by the manufacturers, but is very much less.

The difference in cost of production here and abroad for the period named in a former brief—from 1901 to 1907, both inclusive—was 18 cents, because we know it, being familiar with conditions in both countries, as manufacturers, and you already have our sworn statement and a member of your committee has a detailed statement setting forth the facts.

5. That our proposal for cutting the present duties practically in half would work no hardship to the domestic manufacturer and would afford the consumer much needed relief.

The following statement shows what their proposal would have meant on the imports for the fiscal year ending June 30, 1907.

Revenue based on rate suggested by Semon & Bache Co.

1,207,576 feet, at 4 cents	$48,303.04
4,577,059 feet, at 5 cents	228,852.95
741,947 feet, at 12 cents	89,033.64
180,913 feet, at 20 cents	36,182.60
6,707,495 feet	[a] 402,372.23

They admit that they are entirely in accord with the general principle laid down in the Republican platform of 1908; that is, that the tariff should be sufficient to cover the difference in cost of production here and abroad, yet they admit that they are not manufacturers and have no definite knowledge on the subject, and propose a schedule of rates which if in existence would have yielded an average duty to the Government of 0.059 cent per square foot, whereas the actual difference in cost is more than three times that amount.

Contrast this with conditions in Germany, where the rates of wages are not so very much higher than those in Belgium, and where the general conditions do not differ nearly so widely as they do in this country. There a special tariff commission of 20 men, after laboring five years over the problems as to difference of cost between Germany and other countries, and also the surrounding commercial problems (the dumping process), conceded to the German manufacturers a flat rate of duty equivalent to 0.1242 cent per square foot. I believe the same commission dealing with American problems would have granted us twice that rate, if not more. Do you think they would have given any consideration whatever to such a proposition as is made by Semon Bache & Co., which is absolutely at variance with their (Semon Bache & Co.'s) declared attitude toward American manufacturers?

We quote from their statement as follows:

This definite statement of a cost of 32 cents per square foot has been made by only one person, Mr. Clause, of the Pittsburg Plate Glass Company, and we may add that he has been very careful not to state specifically that this is the present-day cost, but puts it as "the cost for a period of years, those just last passed," which may mean any period from the last two or three years to the period from 1865 to date.

This statement is absolutely false, because our supplemental brief, filed December 17, clearly sets forth that the cost of 0.3265 cents per square foot, referred to, covers the years 1901 to 1907, both inclusive,

[a] Equals average 0.05998 cent per square foot.

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and is based upon our actual books for that period, because it covers the period during which the large increase in imports took place, and also because in treating a problem of this kind general conditions covering a period of years, rather than temporary conditions, which may change radically, should govern.

They say:

It is further stated by the commercial agencies that the Pittsburg Plate Glass Company buys very little in the regular market channels and takes the entire output of the Columbia Chemical Company and a large share of the product of the Pittsburg Valve and Fittings Company.

These statements are absolutely false. The Columbia Chemical Company manufactures many things which the Pittsburg Plate Glass Company does not use at all; and of soda ash, which is the only thing manufactured by it which the Pittsburg Plate Glass Company does use, the Pittsburg Plate Glass Company only consumes a very small part of the product. And as to the Pittsburg Valve and Fittings Company, the Pittsburg Plate Glass Company rarely uses 1 per cent of its output. The relationship between the stockholders of the companies referred to is pretty generally known, and had Semon Bache & Co. desired to know, they could have easily ascertained the real facts.

As to their insinuations that—

we could work out any kind of a manufacturing cost and do it more or less legitimately—

is this an evidence of the kind of methods they employ? There is no concern in the country that has followed more conservative and saner methods in the treatment of its stockholders than has our company. The methods and accounting connected with every branch of its business has followed entirely legitimate lines for the honest purpose of having every department stand upon its own merits.

We quote again:

We may remark in passing that even according to the domestic manufacturers' own figures the difference in the cost of production here and abroad is given as 18 cents, while they ask a flat rate of duty of 22½ cents.

Here they overlook the platform which they accepted and which promised the difference plus a reasonable profit, to which we feel we are fully entitled. If the rate of duty only measured the exact difference in cost, the foreign manufacturers could, by selling what to them was a small part of their product in this country at cost, compel the American manufacturer to sell his entire product at cost.

We quote again:

The census of 1900 gives the production of plate glass in the United States as 16,883,578 square feet of a value—that is a market price—of $5,158,598, which figures out about 30½ cents per square foot.

In 1900 the Pittsburg Plate Glass Company, according to its annual statement, earned net $2,026,607.

In 1900 the Pittsburg Plate Glass Company owned 10 of the 13 plate glass plants in operation that year (see Census Bulletin No. 228 of July 3, 1902, page 16).

In 1900 the Pittsburg Plate Glass Company possessed very few of the auxiliary sources of revenue to which they ascribe their present income. The paint factory was bought late in 1900. Their foreign plate-glass factory was acquired in 1902; their coal properties were also bought after that date, and in 1900 only eight or nine of their branch warehouses were in existence, and these were all comparatively new enterprises and were fighting hard with long-established competitors for existence. The Pittsburg Plate Glass Company's large earnings of 1900 were therefore mainly earned in the manufacture of plate glass.

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Allowing them ten-thirteenths of the production and assuming that they sold their glass at the average price in 1900 of 30½ cents per square foot, they have made over $2,000,000 by selling almost exactly 13,000,000 square feet of glass at 30½ cents per square foot. Admitting that their branch houses may have made, say, half a million dollars of this total—a most extraordinary profit, far beyond that the average jobber of the same size was able to make in that year—the profits on the manufacture of the plate glass works out at a little over 11½ cents per square foot, which, deducted from the selling price of 30½ cents per square foot, leaves a cost, roughly speaking, of 19 cents per square foot.

That you may properly understand the inaccuracies in this statement and the fallacious conclusions deduced therefrom, we give you the following facts from the books of our company:

The actual sales of this company for the year 1900 were 13,637,146 feet, which the factories sold at an average price of $0.3877 per square foot. The company had twelve (not eight or nine) branch houses at that time, which yielded a profit for the year 1900 of $1,086,414.54 (not $500,000, as they surmise), out of a total profit of $2,026,607.94. Its principal and by far the most valuable of its coal properties, at Charleroi and Creighton had been in possession of the company since its organization, in 1895. Later additions were simply purchases of some adjoining coal.

With these facts before you, you will at a glance see how their whole chain of argument as to cost falls utterly to the ground. They know, or ought to know, that 30½ cents per square foot was not the market price at that time. At a recent meeting of mirror manufacturers held in Chicago, January 6, 1909, Mr. Goertner stated that he did not know whether 30½ cents was the market price or the cost price. (In this brief they say they do know.) Semon Bache & Co. have been in the plate-glass business for generations and are large buyers of plate glass for all the different purposes for which it is used, and their purchases certainly afforded them every opportunity to know that the average selling price was decidedly in excess of 30½ cents per square foot. If they know such was the case, then they are trying to mislead the committee. If they do not know, then they are not familiar with facts which readily come within their observation.

This brings us up to their long quotation from Census Bulletin No. 228, pages 16 to 19, referring to the great improvement made in the manufacture of plate glass by the Marsh Plate Glass Company and the introduction of the lehr in the manufacture of plate glass, which the quotation states can be built for $20,000, and that the building covering the same would cost $6,000, taking the place of 96 kilns at a cost of $1,000 each, etc.

This is another case where Semon Bache & Co. either know or ought to know better than to quote such a statement. If they know better, their only purpose must be that of misleading your committee. If they don't know better with regard to a matter of such common knowledge, I do not see how they can expect anyone to believe them with regard to other matters which they and the public can not be expected to know. I say this because it is a matter of common knowledge that the Marsh Plate Glass Works were a failure and that the works have never operated successfully.

The lehr referred to was a prophecy rather than a realization. It was found to be totally unsatisfactory to the necessities of modern plate-glass making. and the ultimate development of a successful lehr

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took years of time and hundreds of thousands of dollars. We have just completed a lehr which cost over $130,000 instead of $26,000, as stated.

We quote again, not from the census report, but from Semon Bache & Co.'s statement in reference to this lehr:

> It is certainly remarkable that this invention, which saved 95 per cent of the fuel and time required in a very important part of the manufacturing process, which reduced the amount of material used very considerably, which effected an enormous saving in the grinding and polishing processes, and which, furthermore, knocked 80 per cent off the original cost of a large part of a plate-glass factory's equipment, and which evidently possesses these merits, as every plate-glass factory is now equipped with these lehrs, should have operated to increase cost of production 50 per cent or more.

There is not a truthful statement in the whole paragraph. To begin with, there isn't a word in the quotation from the census with regard to the Marsh Plate Glass Company which says anything about saving 95 per cent of the fuel, nor has any such a saving ever been effected. In fact, up to about the time that works was built free or cheap natural gas was the fuel used in operating the annealing kilns then in use, and while the lehr does save some fuel, still it had been cheaper to run the old type of kilns with natural gas at such prices as it then cost than to run lehrs to-day with gas produced from coal or natural gas at practically an equivalent price. There is no very material difference in the grinding and no difference whatever in the polishing of glass made by the lehr as against that made in the old type of kiln; and as to a saving of 80 per cent of the original cost of kilns, that is also shown to be erroneous.

With regard to his closing sentence, nobody has ever said that the operation of a lehr has increased the cost of production by 50 per cent.

Next they quote Mr. John Pitcairn's testimony before the Industrial Commission, in which they say that the wages reported by Mr. Pitcairn average $74 per month, or almost $3 per day. As a matter of fact, Mr. Pitcairn's testimony did not show anything of the kind, and he did not make such a statement. He simply showed the rates of about 60 men in the different departments as compared with the rates paid for similar work in Belgium Semon Bache & Co. have simply added up the rates and divided it by the number of different kinds of work specified (about 60), whereas the total number of men employed is ten or twenty times that number, according to size of works, and there are 20 men employed at the low rates to 1 at the high rates. To illustrate: A foreman receives $150 per month, glass washers receive $37.50 per month, making a total of $187.50. Average the two and it would be $93.75. Whereas there is one foreman at $150 and probably a dozen glass washers at $37.50, making a total of $600, $46.15 being the average for 13 men instead of $93.75. We don't give this as showing the average rate in factory, but simply to show here, as elsewhere, how entirely misleading and useless their conclusions are. As a matter of fact, the average rate of wages for an entire plant and for the full number of men employed was at that time about $1.85 per day (and not $3, as they wish you to believe), whereas to-day it is about $2.25 as against $0.65 to $0.70 in Belgium.

This is still a further enigma to them, because they say:

> Of course, we will have to be contented with the statement that Italian and Slav labor is so much more expensive than the native American labor, etc.

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We have at no time made such a statement. What we said is, that we are to-day paying rates of wages which average about $2.25 for labor, about 60 per cent of which is Slavish and Italian, whereas ten years ago our average rate of wages was only about $1.85 for labor, a vast majority of which was English-speaking labor.

We quote again:

As for materials, there has undoubtedly been an increase in the cost in the last ten years. Materials, however, are a small item in the cost of producing plate glass, being only a matter of 2 or 3 cents per square foot, even of to-day, as set forth in the preceding paragraph.

This statement is based on the grossest ignorance, as anybody who knows anything about the manufacture of plate glass would readily perceive.

We now wish to make a few quotations from their appendix. They state:

The various plants of the Pittsburg Plate Glass Company that were acquired at the time (1895) were actually worth not much more than one-half the capitalization; in fact, if we recollect correctly, the stock for a considerable period sold for around 30.

This statement is absolutely false, as an examination of the records of the stock market will show.

They next quote our statement that—

We have made two increases of capital in cash actually paid in * * * practically all of it is represented by other interests of the company outside of the manufacture of plate glass.

Then they quote from the annual statement of the company of February, 1906, as follows:

The proceeds of the $5,000,000 common stock which is offered at par will be used in providing for the manufacturing of all products handled by the warehouses of the company, and for the erection of a large plate-glass factory at Crystal City, Mo.

They quote these two statements as being in conflict with each other. The contradiction is apparent, rather than real.

While it is true that some of the proceeds of the increase in our capital stock went into the Crystal City works, it is also true that the company's investment in plants for the manufacture of plate glass stands at a figure not in excess of the amount so invested at the time of its organization; so that the outside investments which have been acquired since the organization of the company, represent an amount just about equal to the cash additions to our capital stock and the surplus of the company.

We now come to their quotations from an alleged contract between the American Plate Glass Association and the buyers of the country. Here again they are simply trying to mislead those who are not familiar with the history of the business. In the first place, the American Plate Glass Association was not an association of the plate-glass manufacturers at all. It was an association composed primarily of independent jobbers of the country and sought the cooperation of the manufacturers. For the brief period during which the Pittsburg Plate Glass Company had relations with that organization, it as a jobber (not as a manufacturer) had one vote as against a membership of approximately 40. We had nothing whatever to do with the contract referred to, and never entered into such a contract, and so far as we know, the jobbers of the country never actually carried their scheme into effect. Furthermore, the American Plate Glass Association soon

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went to pieces, because we, as well as other plate-glass manufacturers, refused to support it.

Next they show what our profits have been for a part of the period covered by the operations of the company. Here again the facts are presented with the purpose of misleading. Please bear in mind that these figures are gross before any depreciation is charged. A depreciation, even if no more than 5 per cent per annum, would have amounted to $5,500,000 out of the $13,962,425.07 profits shown, which any competent manufacturer would concede is very moderate. We have a very large capital employed, and the earnings necessarily must look large when stated simply in dollars rather than in per cent. The fact still remains that the dividends paid on the capital stock average a trifle less than 4½ per cent per annum for the period of its existence and that our surplus account is equivalent to about 3½ per cent per annum on the capital invested. These percentages will be somewhat modified when the figures for the past year are completed, because the surplus has been reduced somewhat during that year.

We wish again to state also that these earnings have been made largely from the auxiliary sources.

They next allude to the depreciation charges of our company. These depreciation charges, while large in one special year, 1904, are in the aggregate very low, indeed, considering the character of the wear and tear incident to the manufacture of plate glass and to the fact that the modern trend of manufacture has been of a character that made reconstruction excessively expensive. Please do not forget that you are dealing with large figures, and an annual depreciation charge, even if it were no more than 5 per cent, would in the course of the fourteen years that we have been in business aggregate many million dollars.

In addition to the foregoing, they make various other arguments and deductions which can be just as readily answered, but inasmuch as they have only a minor relation to the real problem, and inasmuch as they would simply draw this reply out to tedious length, we will conclude by saying that their entire case is based upon erroneous information and assumed facts. Hence their deductions fall completely in the presence of the actual facts and conditions.

Yours, respectfully,

PITTSBURG PLATE GLASS COMPANY,
By W. L. CLAUSE, *President.*

SUPPLEMENTAL BRIEF FILED IN BEHALF OF ELEVEN AMERICAN MANUFACTURERS OF PLATE GLASS.

PITTSBURG, PA., *February 11, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The eleven American companies manufacturing polished plate glass, all there are in the United States outside of the Pittsburg Plate Glass Company, have felt that the committee representing them before your body on Tuesday, November 24, 1908, covered the plate-glass industry sufficiently well and would not burden

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you with this additional brief, except for the fact that persons not manufacturers have since seen fit to file briefs with you.

F. J. Goertner, of New York, representing Semon Bache & Company, importers, has filed a supplemental brief since appearing at the hearings of Tuesday, November 24, 1908, of which we beg to quote:

Mr. DALZELL. Can you give us any figures as to the cost of production of plate glass abroad and the cost of production here?

Mr. GOERTNER. Generally stated, the difference is generally accepted among the trade——

Mr. DALZELL. I am not asking you what the trade accepts, but I am asking you if you have any personal knowledge of the cost of production abroad and the cost of production here?

Mr. GOERTNER. No, sir; I have not.

Mr. DALZELL. You do not know anything about it?

Mr. GOERTNER. Not of my own personal knowledge.

This testimony proves conclusively the incompetency of the witness. Strange enough, though, from November 24 to January 15, in the brief space of fifty-two days, without receiving any information from any manufacturer, he feels he has learned the business of manufacturing polished plate glass sufficiently well to file a brief, reported January 15, 1909, telling all things he did not know in November when he appeared before you. We have been engaged in the business in periods varying from several years to twenty-eight years, and we venture to say none of us knows his business as well as Mr. Goertner, and his principals seem to think they know it, yet, remember, they have never been engaged in the manufacture of polished plate glass.

MATERIALS.

That you may know that Mr. Goertner is no better advised in our business to-day than he was when he first appeared before you, we shall call your attention to parts of his brief, given January 15, 1909. He refers to the use of nitrate of soda and manganese in the manufacture of polished plate glass, neither of which is used. He also states that the materials entering into the making of plate glass "do not amount to more than 2 cents or 3 cents per square foot at the very outside." We state as a fact the common and least expensive sand which is used for grinding the surface of the glass alone, and without taking into account the more expensive silica sand, and other materials entering into the composition of the glass, costs about as much per square foot of polished plate glass produced as Mr. Goertner would have you believe all materials together cost. We shall point to one instance only of the great difference in cost of materials abroad and here in favor of the European manufacturers. The character of the silica sand, and the purity of the salt cake, abroad, both entering into the body of the glass, are such that the European manufacturers do not need to use soda ash as we do. This difference in cost amounts to about one-half of what Mr. Goertner will allow for all materials per square foot of polished plate glass produced. It would only be occupying much of your valuable time needlessly to go into further detail; suffice it to say as a fact the materials entering into American-made plate glass cost fully four times as much as Mr. Goertner states.

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Mr. Goertner discusses at length the labor question. It is not a matter of the nationality of employees, but a question of the increased wages the American manufacturer must pay, and we restate labor in an American plate-glass factory to-day averages about $2.25, against 60 to 65 cents in Belgium and other European countries.

MECHANICAL IMPROVEMENTS.

Mr. Goertner says:

There have been so many improvements in the mechanical processes since 1900 that a great part of the work formerly done by hand is now done by machinery.

The truth is, there have been very few new devices come into use since 1900, and none, so far as we know, that, if in use in this country, are not also in use in European factories. Mr. Goertner says all factories have displaced kilns with lehrs, whereas the truth is a large number of plants still have kilns, and the advantage of the lehr over the kiln is still such an open question that in all Europe there is but one lehr in operation—at the Pilkington factory, St. Helens, England. Belgium, which produces more plate glass than any other country in the world, and exporting most of its product, as it does, by reason of small home consumption, must be alert to any cost-reducing improvements, yet not one lehr is in use in that country.

COST OF MANUFACTURE.

Mr. Goertner refers to the total cost of manufacture of a square foot of polished plate glass as being 17, 18, 19, and 20 cents, and none of his four guesses is anywhere near correct. The total average cost per square foot of polished plate glass produced for the period of years covered by the Dingley tariff law in the factories of the eleven companies whose brief this is will reach 32 cents, as shown by use of their respective records, which are open to your inspection. Some companies have charged depreciation and show costs in excess of 32 cents; others show costs in excess of 32 cents without figuring depreciation. The life of a plate-glass factory, as proven by the four or five factories dismantled within the past few years, is about twenty years, so that each and every factory should have included depreciation as an item entering into its cost of manufacture amounting to 2½ cents to 3½ cents per square foot at least. The only reason some manufacturers have not included depreciation is because the business has been too unprofitable to allow them to do so.

QUALITY.

Mr. Goertner says the glass that is imported into this country is principally for mirror purposes, and of a quality which can not be made here, thus accounting for the importation. We admit the bulk of the glass imported is for silvering purposes, and it comes into this country by reason of the existing tariff, and at times the willingness of the foreign manufacturer to accept a lower price in America than he does at home, but we deny the inability of the American manufacturer to produce glass for silvering purposes. We call your

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attention to the following statement of the Heidenkamp Mirror Company, one of the subscribers to this brief:

Prior to our engaging in the manufacture of polished plate glass, we were, from 1892 until 1901, engaged in the manufacture of mirrors in competition with Semon Bache & Co., and others. During all that time we purchased our entire supply of polished plate glass from American manufacturers, and we produced mirrors of as high quality as were made in America.

All of the companies who are parties to this brief have made and still do make and sell quantities of polished plate glass of the highest grades for silvering purposes, and while it is a fact they could manufacture larger percentages of their total product in these qualities with a continuance of the present tariff, they can not afford, hope, or expect to do so.

SELLING PRICE.

The Goertner testimony very carefully avoids any discussion of an average selling price to the manufacturer for his total product, referring only to what he claims were glazing stock sheet prices. The manufacturer is burdened with cuttings from stock sheets, by the trade called strips, with second quality, and with inferior quality called O. B.'s, which glass sells at about one-third of cost. There are also large quantities of small glass sold not included in the customary car of glazing stock sheets at prices far below cost. The result is, the average selling price for the entire product is much less than the average price received per square foot for a carload of glazing stock sheets. The consumption of small sizes is from 60 to 70 per cent of the entire demand, while the normal production scarcely exceeds 25 per cent. The American manufacturer must cut down from large sizes the difference of 45 per cent, and sell it, together with his normal production, at less than American cost in competition with the foreign manufacturer, all of which reduces the total average selling price to an extent rendering the entire business unprofitable. The American manufacturer is able to and wants to take care of the American demand for plate glass, but he should not be asked to do it without profit, and much less, at a loss.

The reference of January 15, 1909, to English prices as compared to American prices, wherein are shown list prices instead of actual selling prices, is liable to deceive, from the fact that these are the jobbers' list prices, from which there is a very large discount not mentioned.

NO COMBINATION.

There are quotations from contracts of the American Plate Glass Association, marked Document E of 1903, and of the American Mirror Plate Company, marked Document F of 1902, so segregated as to convey meanings other than those of the contracts themselves. The American Plate Glass Association was organized and operated by and belonged to the jobbers. The effort on their part was futile, because it failed to receive support from the plate-glass manufacturers. The American Mirror Plate Company was a mirror manufacturers' proposition, organized against the judgment of the plate-glass manufacturers, and failed for the same reason as the Jobbers' Association.

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There is nothing more false than the statement that there is a combination of American plate-glass manufacturers. No matter in what business a man may be engaged, the selling price of his product and that of his competitor will always be about the same, for the cost of manufacture can not differ materially, one factory from another, so that, if a profit is possible, it will be held reasonable by competition. A manufacturer naturally knows his price must be about the same as his competitor's, otherwise he would receive no business. We repeat, there is no combination of American plate-glass manufacturers.

FLAT COST.

It is utterly impossible to arrive at a cost of production on any other basis than an average cost per square foot of all glass produced, regardless of size or quality, for, as a matter of fact, each and every square foot of glass made goes through exactly the same process and does cost the same. Not until finally examined in the warehouse, after having entailed the full cost of manufacture, can the size, shape, or quality of the glass be determined. Defects cause the cutting of many large plates into small pieces, accounting, in the main, for about 25 per cent of the natural production in small sizes, to market which we must accept orders for more than the normal production, resulting in our disposing of about two-thirds of our total product (unjustly called "waste" by Mr. Goertner) below cost, because of low tariff on small glass. The remaining third will not bring high enough prices to make the business profitable.

IMPORTS.

We call your attention to the large quantity of polished plate glass imported during a period of five years, 1903 to 1907, both inclusive, as under:

	Square feet.	Duty.
Up to—		*Cents.*
16 by 24	4,160,107	0.08
24 by 30	19,816,024	.10
24 by 60	4,435,305	.225
Over 24 by 60	2,368,078	.35

You will note the quantity of glass imported exceeding 24 by 30 inches in size is more than one and a half times as much as up to 16 by 24 inches, proving the 22½-cent and 35-cent rates not to be prohibitive. The fact that 64 per cent of the imports for this period range in size between 16 by 24 inches and 24 by 30 inches, a variation of only 2½ square feet, the bulk of sizes being between 4½ and 5 square feet, paying a duty of only 10 cents against 22½ cents a plate an inch larger would pay, proves the need of an increase in tariff on glass not exceeding 5 square feet to the plate. This is not a trifling matter, as Mr. Goertner characterizes it, but very serious.

FLAT TARIFF.

Mr. Goertner states 10 pieces of plate glass each containing 1 square foot are not worth to-day in United States what one piece of glass containing 10 square feet is worth, calling your attention to a

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graduated scale of prices per square foot of glass dependent upon the size of the plate, a condition that has been brought about entirely by a graded and improper tariff, yet because of this improper method of selling glass he argues the tariff shall remain a graded one, citing the Chicago Packing House as a fit illustration. The product of a plate-glass factory is always plate glass and nothing else, while the product of the packing house is meat and what not. Mr. Goertner asks that the present tariffs be cut practically in half, claiming the cut would work no hardship upon the American manufacturer and would afford the consumer much-needed relief. To follow his advice would practically close every plate-glass factory in the United States belonging to a company whose business is exclusively manufacturing, unless the wages of the American workman were reduced to the standard paid in European factories, and on this basis he could not support his family. Besides, the prices of raw materials would have to be reduced at least one-half, or we could not meet foreign competition. The country would lose an industry worth millions of dollars a year, and thousands of people dependent upon it would be without employment. We charge that Semon Bache & Company are not sincere in requesting this reduction in tariff for the benefit of the consumer. There is no logic in a consumer's demand for relief when he is actually buying a staple product at less than it costs the manufacturer to make it.

We think we have shown conclusively the justice of our request for a flat rate of tariff, for the only way we can arrive at a selling price based on a cost as it should be is on a flat cost. We have shown a condition in the marketing of our product that compels us to sell most of it below cost. We want a tariff that will take care of the difference between foreign cost and our own, plus a reasonable profit. Mr. Goertner's statement refers to a difference in cost, but he forgets about the profit, since he is not engaged in the manufacture of polished plate glass. We want a reasonable profit on our entire product; we do not want to give away at a large loss 60 per cent to 70 per cent of our product, and then try to get high enough prices for the remaining 30 per cent to make up the loss and give us a profit. A rate of 25 cents per square foot on all sizes will assist us to a reasonable profit and nothing more. It will not exclude imports, the government records showing large quantities of glass over 10 square feet to the plate entering the country at a 35-cent rate, which, it is reasonable to expect, will increase greatly by reduction of 10 cents per square foot. Imports between 5 and 10 square feet should hold their own, and the competition on glass 5 square feet to the plate and under is so very keen now that we can not expect to eliminate it by the change of tariff we request. The plate-glass industry has been a losing venture in this country for a number of years, and especially because our market is limited to the United States, while United States is the market of every other plate-glass-producing country.

We sincerely trust you will realize the Goertner testimony, the Interstate Furniture Manufacturers' Association brief, given on Tuesday, January 5, 1909, and a number of others reported elsewhere, coming from sources which have no knowledge of the manufacture of polished plate glass, are incompetent, and that you will, therefore, give consideration only to the testimony of those properly equipped to give reliable information, and in so doing grant the American plate-glass industry the much needed relief it deserves by the recommendation of your committee of a 25-cent flat rate of duty.

The Goertner testimony of January 15, 1909, contains statements purporting to come from commercial agencies. Those references are in many cases untrue, in others distorted so as not to resemble the truth, but all arranged to give the impression that the manufacture of plate glass has been and is a very profitable business, whereas the truth is, for years it has been and is the very opposite. We call your attention to the following detail with reference to the several companies.

The Kittanning Plate Glass Company has a bonded indebtedness of $250,000. Its capital stock is $700,000, $500,000 in common and $200,000 preferred, upon which it has never been able to pay a single dividend.

The Allegheny Plate Glass Company was incorporated during 1900, has a capital stock of $1,000,000, and a bonded indebtedness of $500,000. Its earnings have been so meager that it has not been able to return to its stockholders dividends equal to the interest they might have received by placing their money in a savings bank.

The Standard Plate Glass Company has a capitalization of $750,000, has been engaged in the manufacture of polished plate glass for a period of twenty-one years, and has only been able to return to its stockholders during this entire period an average of 3 per cent per year. From the beginning it has had the advantage of natural gas as fuel, costing as low as $5,000 per year, but now its natural-gas supply is being exhausted and it will be compelled to use coal for fuel, which is going to cost $75,000 per year. Its earnings have been on fuel, not on plate glass.

The statement given for the Heidenkamp Mirror Company is incorrect. While it has made money, its natural-gas supply and real-estate investments have contributed largely to its earnings.

The Edward Ford Plate Glass Company has never been able to pay a single dividend, which fact refutes the statement that it has "notoriously been a very large money-maker from the start."

The increase in capital stock of the Saginaw Plate Glass Company was made by the introduction of new capital, all of which was invested in the erection of a factory for the manufacture of salt. The company has not been and is not a paying proposition.

The Penn Plate Glass Company was incorporated in the year 1904 as a Pennsylvania corporation, with a paid-up capital stock of $250,000, with a factory at Irwin, Pa.

In the year 1900 it consolidated with the American Plate Glass Company, of Alexandria, Ind., who had a factory at that point, the new company being known by the name of the Penn-American Plate Glass Company, the capital of which was $2,000,000, and represented the actual values in cash and property and additional money spent on the Irwin (Pa.) plant in excess of their original capitalization. There was not one dollar of water in the capitalization.

Since the year 1903 $700,000 additional money has been spent on the Alexandria factory for improvements, $600,000 of which was raised by the issuing of bonds, which are still outstanding and unpaid.

Prior to the year 1903, when the company had the benefit of low-price natural gas as fuel, low-priced materials, when there was no

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overproduction in the finished product, they had earnings and paid dividends, but since which time this has been impossible.

We give these facts in full in order to disprove Mr. Goertner's statements about overcapitalization, etc., which he could have very readily ascertained if he had shown any disposition to get at truths.

In the statement of the Columbia Plate Glass Company Mr. Goertner has omitted a bonded indebtedness of $750,000, and neglected to state that this company has never been able to pay a dividend.

The capital stock of the St. Louis Plate Glass Company is $1,500,000, with a bonded indebtedness of $750,000. Mr. Goertner says, "In November, 1904, the secretary stated the above facts, and, in addition, estimated the company's holdings at $300,000." The intended meaning of this latter statement is not true. The $300,000 referred to were bills payable, and were therefore obligations of the company. A valuation of the property in September, 1905, is given as $2,000,000. The secretary's figures represented money invested in the plant of the St. Louis Plate Glass Company, land and houses of the Valley Park Land Company, consisting of about 800 acres of ground and 250 houses, and the property of the Pacific Glass Sand Company, at Pacific, Mo., consisting of 200 acres of silica-sand property, together with a modern sand plant. This was all original or new money, none of it coming from operations or earnings.

EXPLANATION.

Each company whose name is signed hereto vouches for the truth of any statements contained herein specifically referring to that particular company and for all statements which are general in character. We have given facts without reserve, and stand ready to give you any other information within our power that will help you to arrive at a just conclusion.

Respectfully submitted.

Allegheny Plate Glass Company, by W. J. Strasburger, secretary and treasurer; American Plate Glass Company, by A. H. Gaffney, president; Columbia Plate Glass Company, by Chas. W. Dahlinger, chairman executive committee; Federal Plate Glass Company, by E. F. Achard, general manager; Edward Ford Plate Glass Company, by Edward Ford, president; Heidenkamp Mirror Company, by Jos. Heidenkamp, president; Kittanning Plate Glass Company, by Geo. W. Reese, president; Penn-American Plate Glass Company, by W. L. Kann, vice-president and general manager; Saginaw Plate Glass Company, by G. C. Eastwood, secretary and treasurer; Standard Plate Glass Company, by J. H. Troutman, secretary and treasurer; St. Louis Plate Glass Company, by W. J. Vance, secretary and assistant treasurer.

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THE STANDARD MIRROR CO., PITTSBURG, PA., RECOMMENDS A FLAT RATE PER SQUARE FOOT ON PLATE GLASS.

PITTSBURG, PA., *February 15, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Standard Mirror Company owns and operates at High Point, N. C., a mirror factory which probably consumes more plate glass for mirror purposes than any other single factory in the country, and probably more than any company exclusive of the combined factories of one company. The great bulk of the sizes we use are such as are imported into this country, so that we feel ourselves in position to express an opinion on the changes in tariff on plate glass proposed.

We have great difficulty endeavoring to get our entire supply of plate glass in this country, not because the quality can not be made, for it can, but because the manufacturers of plate glass insist they can not afford to cut down the quantity of large glass into small sizes necessary to take care of the American demand because these small sizes are sold in competition with foreign-made glass at less than American cost of manufacture.

There is certainly no way to arrive at a cost of manufacture of plate glass except a flat cost. We, therefore, feel a flat rate of duty per square foot will be much better than a graded tariff and will at the same time enable the American manufacturer to take better care of the American market without suffering a loss. Not being manufacturers we do not know the cost of making plate glass, but our judgment is the tariff should be such as will take care of the difference between American and foreign cost, plus a reasonable profit.

Yours respectfully,

STANDARD MIRROR COMPANY,
By FRANK M. KNIGHT, *President.*

SEMON BACHE & CO., NEW YORK CITY, SUBMIT AN ADDITIONAL STATEMENT RELATIVE TO PLATE GLASS.

WEST AND HUBERT STREETS, NEW YORK,
February 16, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Mr. Clause, of the Pittsburg Plate Glass Company, having filed an additional statement on February 2, regarding the glass tariff, we ask your acceptance of a few very brief additional remarks on our part.

To most of their statements a reply is unnecessary. Having a case, we are not compelled to resort to abuse of our opponents. Accusations of falsehood, intent to mislead, gross ignorance, etc., are hardly a substitute for argument in a matter which essentially is a question of arithmetic. In our statement of January 11 we quoted our authorities, chapter and verse, for every point made as far as it could possibly be done. We ask nothing better than that our statement and theirs be read side by side.

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We have been tempted to reply to Mr. Clause in extenso, but on the whole there is no use in wrangling over details with the effect of making the discussion interminable. We think the true facts in the matter will be readily apparent upon careful reading of their statement of their case and our statement of our case.

In their last statement there are two matters that require comment. One is the German tariff which they represent as designed to protect German plate glass against the pauper-produced Belgian product. To anyone familiar with the plate-glass business this is somewhat amusing. It is sufficient to point out that both the St. Roch and St. Gobain companies, the former a Belgian concern, and the latter operating both French and Belgian factories, also own and operate plants located in Germany. Either of these companies ships its glass to the United States from whichever plant the buyer elects, leaving the obvious inference that the manufacturing cost in all three countries is substantially the same, although they impose high tariffs on importations of glass from one another.

The other matter is whether in the 1900 census, the "value of products" means cost or selling price. This is easily disposed of. We quote from the Census Bulletin itself, that relating to glass manufacture (No. 228, July 3, 1902, p. 2):

> It is not to be assumed, however, that the difference between the aggregate of these sums (the itemized cost of material, labor, miscellaneous expense, etc.) and the value of the products is, in any sense, indicative of the profits on the manufacture of the products during the census year. The census schedule takes no cognizance of the cost of selling manufactured articles or of interest on capital invested, or of the mercantile losses incurred in the business, or of depreciation in plant. The value of the product given is the value as obtained or fixed at the factory.

Comment is superfluous. The value of the products as given in the census is obviously the selling price.

Incidentally, Mr. Clause's figures to refute the conclusions to be drawn from the census of 1900 as to the selling price are an excellent illustration of the inaccuracy and unreliability of his own statements.

Mr. Clause is on record to the effect that there has been a very great increase in cost since the year 1900, and furthermore to the effect that the earnings of the Pittsburg Plate Glass Company have been largely derived from auxiliary sources of revenue, among which one of the most important was their coal properties.

In his last statement he says that of the profit of $2,026,607.94 earned in 1900, the branch warehouses contributed $1,086,414.54, leaving a profit of $940,193.40 earned by the manufacture of 13,637,146 square feet of plate glass at a selling price at the factory of $0.3877 per square foot, and by the operation of their coal properties.

In the first place, the thirteen million odd feet at Mr. Clause's alleged selling price of $0.3877 per square foot figure a total of $5,287,121. The census of 1900 gives the total value of the 16,883, 78 square feet produced in the United States in that year as $5,158,598, which is considerably less than Mr. Clause's statement of the value of the Pittsburg Plate Glass Company's product alone.

Mr. Clause's company provided ten-thirteenths of the figures for the 1900 census. In regard to the total quantity produced, the census and Mr. Clause's statement agree very closely. The wide divergence in values is certainly mysterious.

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Going back to Mr. Clause's statement that there was a profit of $940,193.40 in 1900 earned jointly by plate-glass manufacture and profit on coal properties, we will assume from Mr. Clause's frequent reference to these coal properties as among his company's most important sources of revenue that they earned, say, one-half of this $940,193.40. This leaves us about $470,000 earned in the manufacture of plate glass, which on that product of 13,637,146 square feet for that year gives us an average profit per square foot of $0.0345. This, deducted from his alleged selling price of $0.3877 per square foot, leaves us a cost of $0.3532 per square foot. If this is the case, what becomes of Mr. Clause's assertion that the cost has greatly increased since 1900?

The fact is that if the coal and gas properties, which are described by Mr. Clause as the "best in western Pennsylvania," etc., yielded anything more than a negligible profit in 1900 the cost of manufacturing plate glass has not increased since that year, but has decreased according to Mr. Clause's own figures. Even if "our fine gas and coal properties" did not pay a cent of profit in 1900, and all this profit of $940,193.40 was earned in the manufacture of plate glass, still the increase in cost since that year, according to Mr. Clause's own figures, is only about three-fourths of 1 cent per square foot, which can not be described as a great increase.

In short, if we assume that the coal and gas properties earned no profit worth mentioning in 1900, they disappear as "important auxiliary sources of revenue." If they did earn a substantial profit, there has been no increase in cost of manufacture since 1900; in fact, there has been a decrease. We should like to see Mr. Clause apportion that profit of $940,193.40 between the manufacture of plate glass and the operation of the coal and gas properties so that it does not interfere with his other statements above quoted.

It goes without saying that although we have used the foregoing figures as an illustration we have simply done so to demonstrate the eccentricities of Mr. Clause's argument and not as an expression of belief in them. We adhere to our opinion that the selling price as stated in the census of 1900 is correct.

In this connection we call your attention to Bureau of the Census Bulletin No. 62, Census of Manufactures, 1905, page 27, in which it is stated "the price (of polished plate glass) per square foot in 1905 was 29 cents as compared with 31 cents in 1900." We may add that the jobbing profit quoted for 1900 is simply preposterous and confirms our statement that the Pittsburg Plate Glass Company, with its many ramifications, can show any manufacturing cost or any profit in any department that it chooses. We doubt if the profits of the 12 oldest and largest and most prosperous glass jobbers in the United States in that year showed an aggregate even approaching that reported for the Pittsburg Plate Glass Company's 12 newly established branches. We, ourselves, are counted one of the largest and most successful jobbing concerns in the country, and in that year we did not net anywhere near the average amount alleged to be earned by the Pittsburg Plate Glass Company's branch warehouses, and do not know of any jobbing concern that did.

The fact is that the general tendency in all business toward the elimination of the jobber has progressed as rapidly in the glass trade as in any other. At the present time any consumer who can buy a

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carload quantity is in practically as good a position as the largest jobber in the country.

Thanks are due to Mr. Clause for pointing out that his alleged cost of $0.3265 per square foot covers the period from 1901 to 1907. His original statement of November 24, 1908, was so hazy on this subject that we had paid no attention to it.

Reaffirming our statement that the average cost of $0.3265 for the years 1901–1907 is absolutely incorrect as a practical matter, and that it can only be reached by a fantastic method of cost figuring, what in the name of common sense has the cost from 1901 to 1907 to do with the problem before your committee, who are not holding an inquest into what the glass tariff should have been during those years, but are to decide as to what it justly shall be in the future?

These years, 1901–1907, particularly the earlier part of the period, were those in which manufacturing conditions in the plate glass industry were revolutionized. Mr. Clause may minimize all he likes the practical effect of the improvements in manufacturing processes such as the continuous lehr, etc., but he practically admits them by laying stress upon the enormous expense to which his company has been put in remodeling and improving its plants.

In addition to this, their annual statements contain items amounting to millions of dollars to cover depreciation caused by the abandonment of some of their factories, which special depreciation has of course been included in their cost figures.

Your committee is legislating probably for ten years to come—possibly for a longer period. Mr. Clause's theory appears to be that during these coming years the public shall pay an annually increasing amount, many times over, for the blunders made by the last generation of plate-glass manufacturers.

In concluding the discussion, two vital matters stand out with special prominence.

One is the stake the manufacturers are playing for. The production of plate glass in the United States is about 40,000,000 square feet. Thirty-five per cent of this, or about 14,000,000 square feet, are under 5 square feet in area. The importation in 1907, for instance, sizes under 5 square feet in area, was nearly 6,000,000 square feet, making a total consumption in the United States in these sizes of 20,000,000 square feet annually.

Using 1907 as an illustration, here is the arithmetic of the proposition:

The importations of these small sizes were 5,784,635 square feet, of a foreign value of $1,153,497, from which the Government received revenue amounting to $554,312.

Adopt the manufacturers' proposed flat rate of 22½ cents per square foot and these importations would practically cease, so that the Government would be deprived of half a million dollars revenue.

The average advance in duty on these small sizes if the 22½-cent rate were adopted would be 13½ cents per square foot, which, on the annual consumption of 20,000,000 square feet in small sizes, is equal to $2,700,000.

Therefore the only possible benefit to the United States by advancing the duty would be to get about 6,000,000 square feet of glass, of a total value of $1,150,000, made in this country. For this it is proposed to give the manufacturers the opportunity of collecting

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an additional tax from the consumer of $2,700,000, besides depriving the Government of the revenue derived from the present importations.

The other vital fact is that the whole of the manufacturers' argument is based upon a sweeping claim of an average cost of $0.3265 per square foot, no details whatever being given, and even this cost based upon the operations of a very large company with many fields of activity, and even then upon the period from 1901 to 1907.

We submit that in view of the demonstrated inconsistencies in Mr. Clause's various statements as shown in his last communication, that it is absolutely essential that the plate-glass manufacturers should be required to prove their case and to produce a detailed statement of cost and subject it to public criticism.

Furthermore, we respectfully submit that the operations of a single company are hardly conclusive, particularly a company with so many ramifications as the Pittsburg Plate Glass Company. There are a number of prosperous plate glass manufacturers who, we believe, confine themselves exclusively to the manufacture of plate glass, as for instance, the Heidenkamp Mirror Company (this company does not manufacture any mirrors, in spite of its name), the Edward Ford Plate Glass Company, the Allegheny Plate Glass Company, and the Saginaw Plate Glass Company.

A cost arrived at from the operations of any of these companies would in any event be free from complexity. All these companies were established during the period from 1899 to 1902, and their cost in recent years would undoubtedly be a fair guide to actual conditions in the industry.

We submit, however, that in any case a detailed cost should be supplied. By this we do not mean that a manufacturer should be asked to disclose any trade secrets, but simply show in reasonable detail the items of which his aggregate cost is composed.

We reiterate that we stand firmly upon the Republican platform of 1908. Justice to the manufacturer requires that he be granted protection in accordance with that platform. The manufacturer, however, is asking for protection to an extent apparently five or six times greater than he is entitled to, and we submit that justice to the consumer requires that that protection be based upon ascertained facts and not upon sweeping unsubstantiated statements of the manufacturers.

Respectfully submitted.

SEMON BACHE & CO.,
F. J. GOERTNER, *Sales Manager.*

LOUISVILLE (KY.) MIRROR MAKERS SUBMIT NEW CLASSIFICATION AND SUGGESTED RATES FOR PLATE GLASS.

LOUISVILLE, KY., *February 20, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned manufacturers of mirror plates and large consumers of American and foreign plate glass of Louisville, Ky., hereby respectfully petition you to make only such revision of the glass schedule now covered by paragraphs 102 and 112, inclusive,

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of the tariff act of 1897 as will not only continue to afford us a just and equitable protection against foreign mirror competition, but also a protection against a possible monopoly on the part of the American plate-glass manufacturers, which would be feasible under an increase of present rates, or under such a change or classification of the import duties on plate glass, which would establish a flat duty at a high and inconsistent rate.

We favor the elimination of the present bracket schedule and the establishment instead of a 1 to 12 bracket and an over 12 square feet bracket, making only two brackets in all.

Under a flat rate of duty at 22½ cents per square foot, importations, especially in sizes up to 5 square feet, now covered by the two smaller brackets, and which constituted 86 per cent of the entire importation in 1907, would practically cease, and the government revenue from import plate glass would after a short period be materially reduced or almost entirely cut off.

The contention of the American plate-glass manufacturers that they are not amply protected on the two smaller bracket sizes, now dutiable at 8 and 10 cents per square foot, is undoubtedly true, but the extraordinary high rates on the two larger bracket sizes, now dutiable at 22½ and 35 cents per square foot, has more than offset the inadequate rates of protection, and of which they have seldom been able to take full advantage.

We, however, agree with the plate-glass manufacturers that the present bracket schedule (which dates back as far as the tariff of 1883, when the plate-glass industry in this country was in its infancy, and when polished cylinder and crown glass was extensively used and represented a large proportion of the importations) is now and has long since been an improper classification for plate glass, and it has created a condition which makes the comparative selling prices of plates in the different bracket sizes at unjust and inequitable rates, which under the duty we recommend would be materially corrected and plate glass would then be sold on a much more honest and staple basis.

We recommend the establishment of an import duty on the following basis, to wit, plate glass from 1 to 12 square feet, 15 cents per square foot; over 12 square feet, 30 cents per square foot.

This, in our judgment, will fully protect the American plate-glass manufacturers against any and all lower cost conditions in Europe, and at which rate a fair and honest competition can still be maintained on the high grades of plate glass used for mirror purposes, which represent our raw material and which the American manufacturers have not as yet been able to produce or furnish in sufficient quantities to meet the demands in this country and which quality or grades of plate glass has during the past eight or ten years represented almost the entire importations from Europe.

Furthermore, the duty we recommend at the above-mentioned rate would be fair and just to all interests, including the public, and an equitable revision of the glass schedule, which would also not interfere or effect the government revenues now being derived from import plate glass, as any possible reduction in volume would be offset by the increased rates on the now two lower bracket sizes, which in the year 1907 represented 86 per cent of all the importations.

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In connection with the above, and in the event the duty we recommend on polished plate glass is favorably considered, it must of necessity carry with it a corresponding change in paragraph 102, covering cylinder and crown glass, polished, and paragraph 105, covering cast polished plate silvered, cylinder and crown glass silvered, and looking-glass plates, and part of paragraph 112, covering mirrors not over 144 square inches, with paragraphs 106 and 107 left unchanged.

Trusting this petition will receive careful consideration, we are

Yours, respectfully,

J. B. MASSON & CO. MIRROR WORKS,
Per F. P. SEILER, *Secretary.*
LOUISVILLE SILVERING AND BEVELING CO.,
By C. GEORGEL, *Proprietor.*
BILLS MIRROR PLATE CO.,
By H. E. BILLS, *Manager.*
FALLS CITY MIRROR WORKS,
By J. L. STAIB, *President.*
NATIONAL MIRROR AND SAND BLASTING CO.,
By FRED BURGE, *President and Treasurer.*

W. L. KANN, FOR COMMITTEE OF PLATE GLASS MANUFACTURERS, FILES PETITIONS OF PLATE GLASS JOBBERS.

PITTSBURG, PA., *March 9, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

GENTLEMEN: We beg to hand you herewith the petitions of various prominent plate glass jobbers of the United States, which have been forwarded to me with the request that they should be sent to you.

Will you kindly give them consideration and have acknowledgment made of the receipt of same to me, and advise whether or not same will appear as a portion of the printed record, and oblige.

Sincerely yours,

W. L. KANN,
By COMMITTEE OF PLATE GLASS MANUFACTURERS.

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230 to 240 SOUTH THIRTIETH STREET,
Philadelphia, March 5, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Because of the present discussion of a change in tariff on plate glass, the undersigned, being among the largest jobbers of plate glass in the United States, feel that you might wish to hear from us on the subject.

We believe firmly in protection to American industries. A flat rate of tariff will in no way interfere with the transaction of our business nor will it place any burden unjustly on the consumer, but, on the other hand, will enable the manufacturer to supply plate glass in quantities and sizes as required by the country. They have

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always claimed that they could not furnish the small sizes, except at a great loss, under the Dingley tariff.

We are familiar enough with the process of manufacture to realize that a flat cost is the only kind that can be figured and, therefore, a flat rate of duty to take care of the difference between cost of manufacture in this country and abroad, plus a reasonable profit, should be the proper solution.

Respectfully submitted.

HIRES TURNER GLASS COMPANY,
S. C. GILMORE, *Secretary.*

Petitions similar to the above were received from the following: Forman, Ford & Co., Minneapolis, Minn., A. E. Clenhem, vice-president; Stewart Carey Glass Co., J. N. Carey, president, Indianapolis, Ind.; Campbell Glass and Paint Co., A. N. Neilson, vice-president; Condie-Neale Glass Co., H. D. Condie, president; West St. Louis Glass Co., D. J. Murnam, president; M. Kahn Glass Co., Milton Kahn, president; Hadley Dean Glass Co., L. G. Hadley, president, all of St. Louis.

THE PITTSBURG, PA., PLATE GLASS COMPANY FILES SUPPLEMENTAL BRIEF IN ANSWER TO STATEMENTS MADE.

PITTSBURG, PA., *March 9, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We note that Semon Bache & Co. have filed another brief with you relative to our request for proper protection in the proposed bill under consideration by your committee.

They seem to think that argument and arithmetic are all that is involved or necessary (quite irrespective of whether they are based on fact or on mere assumed knowledge of conditions). This, however, is not a question of argument or arithmetic, but a simple question of facts, and we have given you nothing else. If these facts show ignorance on their part, it is well to bear in mind that they admitted when personally before your committee that they have never been engaged in the manufacture of plate glass and know nothing about it.

The burden of their last brief seems to hinge principally on two matters.

First, the German tariff, concerning which Semon Bache & Co. offer no information or argument which in any wise weakens the prime fact, that the German tariff is conceded to have been one of the most carefully and scientifically constructed tariffs that has ever been enacted, and that this tariff does grant the German manufacturers a flat rate of $0.1242 per square foot protection on all sizes, irrespective of area. The fact that some of the works in Germany were built by French and Belgian capitalists emphasizes the fair and liberal attitude of the German Government toward those engaged in the industry; and it also shows that their tariff has worked to the benefit of the country, because it compelled the St. Roch Company to build a works in Germany in order to hold that market. Had it not been for the German tariff, I take it, that the Belgian companies

would have manufactured this glass at home and exported it to Germany. This is just what Semon Bache & Co. would like to have the foreign manufacturers do with regard to the American market. They would like to have the duty put down so low that American factories could be thrown out of business and the American market supplied with foreign glass, thereby increasing their business as importers, out of which they have made millions. It is a significant fact that, notwithstanding their wealth and their arguments about the large profits they claim have been made by the American manufacturers, they have never invested a dollar in the industry, although they have been invited to do so repeatedly. The rates of duty they suggest, if applied to the imports of the last few years, would only have yielded a revenue equal to half the protection afforded by the German Government, and with the much higher rates of wages and cost of production in this country than exist in Germany, we certainly ought to receive much higher protection under the proposed new tariff than Germany provides.

Their statement that they "stand firmly upon the Republican platform of 1908" is manifestly insincere. The very heavy imports of plate glass under 5 square feet are unmistakable evidence that the present duty is too low and does not measure the difference in cost between domestic and foreign cost, let alone the promised margin of profit; and yet they propose a reduction of 50 per cent. It is easy to see where their interests as importers stand.

The second point that seems to give them special concern is the fact that we have tried to make it plain to you in our last brief that they knew better than to lay before you arguments based upon a supposed selling price for the year 1900 of 30½ cents per square foot. To justify their error, they go into an elaborate argument and calculation covering a page and a half, which closes with the statement that—

> We adhere to our opinion that the selling price as stated in the census of 1900 is correct.

Here again it is not a question of argument and arithmetic; it is a question of fact, and we stated that fact in our previous brief when we said that this company received for its factory product during the year 1900 $0.3877 per square foot, and just to show you that they know better and that they are trying to mislead, we quote the factory stock sheet and cut-size prices that were current in the year 1900:

	Stock sheets, per square foot.	Cut sizes, per square foot.
	Cents.	*Cents.*
Sizes from 1 to 3 feet	19	22
Sizes from 3 to 5 feet	22	26
Sizes from 5 to 10 feet	40	44
Sizes from 10 to 25 feet	54	59
Sizes from 25 to 50 feet	58	64
Sizes from 50 to 100 feet	63	68
Sizes from 100 to 120 feet	65	76

The cut sizes were f. o. b. factory; the stock sizes were less freight, which would mean a deduction of from 1 to 2 cents per square foot on stock sheets, according to the location of the factory making shipment.

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A most casual examination of these prices, even without any arithmetic, is enough to convince anyone except Semon Bache & Co., who, by reason of their long connection with the business, know it to be true that these prices would of necessity yield a much higher average price than 30½ cents. Of course their purpose in claiming that 30½ cents was the selling price is to sustain their erroneous contention that the cost of production is lower than it actually is. Inasmuch, therefore, as their facts and arithmetic are both wrong, the whole chain of argument by which they reach their conclusions is fallacious.

As additional proof on the same subject, if it be necessary, we quote from their brief:

In the first place, the thirteen million odd feet at Mr. Clause's alleged selling price of $0.3877 per square foot figure a total of $5,287,121. The census of 1900 gives the total value of the 16,883,578 square feet produced in the United States in that year as $5,158,598, which is considerably less than Mr. Clause's statement of the value of the Pittsburg Plate Glass Company's production alone.

Inasmuch as our sales actually amounted to $5,287,362.50, this conclusively proves that the total value of the total American production taken from the census had reference to cost of production and not to sales.

As to their paragraph with regard to the profits of our jobbing business for the year 1900, which they compare with their own profits (without giving any figures), I wish to say that, while their concern has been in business for a very long period, there was an interim, of which the year 1900 was a part, during which they were not extensively engaged in the handling of plate glass as jobbers. In fact, if we are correctly informed, their jobbing business in plate glass during that year was very small. Hence a comparison of their business for that year is not relevant, and we venture the statement that, so far as the jobbers of the United States who handle American plate glass extensively are concerned, there has been no year within the last twelve or fifteen years when they, as a whole, have done such a profitable business in plate glass as was done that year. It was also a very profitable year for the jobbing of American window glass, which contributed to our profits—three of our leading warehouses alone making over $150,000 in jobbing art and window glass—but in which Semon Bache & Co. did not participate, as they have preferred to import and handle foreign window glass, as well as plate glass. Their attitude has always been hostile to the American industry, because on the whole they have found their policy immensely profitable in the long run. We do not think our results were at all out of line with the profits made proportionately by other well-managed jobbing houses for the same favorable period, and attach hereto, marked "Exhibit A," an affidavit from Messrs. Tyler & Hippach (one of several prominent jobbers in Chicago), showing that they made $82,269.04 that year, which is proportionately quite as much as our warehouses made that year (1900). Unfortunately, however, other years, as a rule, have been very much less satisfactory.

The cost given by us when before your committee in November, 1908, covered the seven years immediately preceding, and is corroborated by the statements and brief field with you February 11, 1909, and signed by all the other manufacturers individually. The cost for 1908 could not be included because the year had not expired. Our cost for the year 1908 was $0.2871 per square foot, as actually

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shown by our books. Not a penny was added or deducted in order that the figures might have a bearing upon the tariff question. The cost you will notice is a little more than 10 per cent lower than the average cost for the period referred to; but we had a better gas supply than usual—so much so that we were able to run our boilers with gas for a part of the time, for the first time in many years, and most kinds of materials were lower during 1908, due to the business depression following the panic, than they had been during boom times, and also that labor being plentiful we were able to make some reductions in wages and to weed out inefficient workmen and replace them with men of greater efficiency, and the output per man was much better than it had been any year for some time. When labor was scarce and insubordinate, due to the fact that every man knew he could get employment immediately should he lose his job, it was impossible to replace men, even if they were inefficient, or to maintain such discipline as was necessary to get out a full production. With the return of boom times, which we trust will come with the creation of a satisfactory tariff, the prices of materials and wages will again advance and these advantages will disappear. In considering any problem of this kind a period of years, covering varying conditions rather than any brief interval, should be taken into consideration in order to reach an equitable conclusion.

As to their statement—"that there has been a very great increase in cost since the year 1900"—this is not a correct reference to our statement. We said there had been a large increase, beginning with (not since) the year 1900. In fact, the increase started in 1899, and was greater in 1900 than in any other one year during the period referred to.

There is still another effort to mislead your committee in their arithmetic about "an additional tax from the consumer of $2,700,000." We have at no time stated that the production of plate glass in the United States was 40,000,000 feet. The consumption, however, is about that figure—perhaps somewhat in excess of that. The imports (6,000,000 feet) to which they refer can not be added, because the total consumption under 5 square feet already includes the imports, and the total is considerably less than 20,000,000 feet. Furthermore, their conclusion would be wrong even if the consumption were 20,000,000 feet, because, in the first place, the increase in duty would not be 13½ cents per square foot. As a matter of fact, the average duty collected for the year 1907 was about 12 cents, so that the increase suggested by the manufacturers would only be about 10 cents instead of 13½ cents. With an increase of 10 cents per square foot, as against the average duty heretofore collected, the fact would still remain that the manufacturer could not get his increase on all of the glass under 5 square feet actually consumed, because it is a fact which can not be controverted, and which Semon Bache & Co. very well know, that a very large part of this glass has always been sold to the consumer at prices very much below that which would be represented by the full addition of the duty to the selling price. The duty has only applied to those high grades of glass which are used for mirror purposes, all the other glass under 5 square feet in area used for other purposes having always been sold at prices that were very much lower, irrespective of the duty. Furthermore, their conclusion loses sight entirely of the fact that the proposed tariff

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would make a large reduction in the duty on all sizes over 10 square feet, which in any event using their own kind of arithmetic, would largely offset the conclusion reached.

They again allude to our "enormous expense" in "remodeling plants," to depreciation charges "amounting to millions" and that "the public shall pay" "for blunders made by the last generation of plate-glass manufacturers," etc. We wish again to state that our charges have been entirely reasonable, not exceeding 5 per cent in the aggregate, and that we have simply done what every manufacturing business must do if it is to perpetuate itself, i. e., we have made those changes that have naturally grown out of experience and the development of the business, such as are necessary to keep abreast of modern methods and improvements. If these be blunders, then all progress is fruitless, and the only wise course is to wait until stagnation and dry rot put us out of business. If a business will not pay for its own natural development what would become of it?

All of which is respectfully submitted.

PITTSBURG PLATE GLASS COMPANY,
Per W. L. CLAUSE, *President.*

EXHIBIT A.

MARCH 4, 1909.

Louis A. Hippach, secretary and treasurer of Tyler & Hippach (Incorporated), an Illinois corporation, states that during the year 1900 the profits of said corporation were $82,269.04, and that these figures were taken direct from the books of the corporation of that year.

LOUIS A. HIPPACH.

STATE OF ILLINOIS, *County of Cook, ss:*

Louis A. Hippach, being duly sworn, says that the above statement is true and correct.

[SEAL.] WILLIAM CAMPBELL,
Notary Public.

My commission expires June 26, 1911.

GLASS MARBLES.

[Paragraph 112.]

THE STROBEL & WILKEN CO., NEW YORK CITY, OBJECTS TO SUGGESTED INCREASE OF DUTY ON GLASS MARBLES.

591 BROADWAY, NEW YORK,
January 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Noting an application for an increase of duty on glass marbles, appearing in report of the Tariff Hearings of January 5, 1909, we deem it advisable to call to your attention what percentage of increase is demanded.

You will find from Exhibit A, hereto attached, that the rate of duty proposed by Daniel C. Ripley, president of the United States Glass Company, would average from 94 per cent to 273 per cent.

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We wish further to state that the entire importation of glass marbles in the year 1905 amounted to $21,412; in 1906, $23,975. We have no report as to the importations in the years 1907 and 1908, but know that it has fallen off.

Glass marbles that are imported are entirely different styles than those made in the United States, and although we sell the imported, we also supply our customers with the domestic makes as well.

To our knowledge there have been but two makers of glass marbles in this country, Messrs. M. F. Christensen & Son, Akron, Ohio, and Barberton Glass Novelty Company, Barberton, Ohio. The latter factory discontinued last year, but we understand intends to resume.

We believe that there are as many glass marbles made here as are imported, and, as already mentioned, styles being entirely different, we see no reason why the duty should be increased, or to ask for a prohibitive duty such as has been proposed.

Yours, respectfully,

THE STROBEL & WILKEN CO.,
E. STROBEL, *President.*

EXHIBIT A.

Size.	Weight per 1,000.	Dutiable value per 1,000.	Classification.	Old duty at 35 per cent.	Proposed duty— At 25 per cent and 12 cents per pound.	Proposed duty— At 25 per cent and 6 cents per pound.	Proposed duty— Equivalent.
	Pounds.						*Per cent.*
00	6	$87.47	Below 2 pounds per dozen.	$30.61	$93.86	.....	113.8
0	10	96.21		33.68	144.05	.....	158.8
1	16	113.70		39.79	220.42	.....	193.8
2	24	153.93		53.89	326.48	.....	212.1
3	38	218.85		76.53	510.66	.....	233.4
4	60	349.86		122.46	807.46	.....	230.8
5	90	472.31		165.31	1,197.07	.....	253.5
6	130	612.25		214.29	1,713.05	.....	273.5
7	172	787.19		275.52	.....	$1,228.78	156.1
8	240	1,137.05		397.96	.....	1,724.26	151.7
	Per gross.		Weight above 2 pounds per dozen.				
9	38.4	251.90		88.16	.....	293.35	116.5
10	55.2	477.85		132.25	.....	450.66	94.3
11	67.2	524.79		183.68	.....	534.40	101.8
12	88.8	629.74		220.42	.....	690.23	109.6

M. F. CHRISTENSEN & SON, AKRON, OHIO, ASK A SPECIFIC CLASSIFICATION AND INCREASE FOR GLASS MARBLES.

AKRON, OHIO, *February 3, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully submit our views in the matter of manufacturing glass marbles and caster balls.

In October, 1904, we started a small factory here in Akron, Ohio, for the exclusive purpose of manufacturing this product. From that time on we have labored along, but to great disadvantage with our foreign competitors, it being possible to put imported glass marbles on our American market; for example, No. 0 imported glass marbles

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are offered to the trade in this country at $1.57 per thousand against our No. 0 glass marbles, with an actual cost of manufacturing here of $2.80 per thousand. The principal element in our problem being labor, at which we also labor to great disadvantage with our foreign competitors in the price we are compelled to pay for it; we have, however, maintained our unequal struggle with manufacturers from abroad in such a way as to keep our industry alive, but scarcely more; we are, however, capable of survival but of almost indefinite extension if, during the crucial period the principle of giving adequate protection to our industry during the time it is actually needed it applies to our case. We feel that this industry is one which fulfills all the conditions required for the free and generous application of the protective principle; it is literally an infant industry; the protection which it absolutely requires is a protection against foreign poorly paid hand labor, and in favor of domestic high class skilled labor.

The consumption annually of marbles and caster balls in the United States is very great, and an adequate duty should therefore be placed on all glass marbles and caster balls imported into the United States. In our case we are not demanding, but respectfully ask, your honorable Committee on Ways and Means to consider for us a duty of $1 per thousand, and, if possible, the retention of the present ad valorem duty on all glass marbles and caster balls.

We would also ask that a new schedule in the tariff law be made to cover glass marbles and caster balls, if such is not upon record already.

Yours, very respectfully,

M. F. CHRISTENSEN & SON,
Per M. F. CHRISTENSEN.

STAINED GLASS.

[Paragraph 112.]

IMPORTERS REQUEST THAT STAINED GLASS FOR CHURCHES BE MADE DUTIABLE AT TWENTY-FIVE PER CENT.

32 BROADWAY, NEW YORK CITY,
February 4, 1909.

COMMITTEE ON WAYS AND MEANS,
House of Representatives.

GENTLEMEN: On behalf of the importers of stained window glass and stained-glass windows, I beg to submit the following brief in reply to briefs filed on behalf of various manufacturers of stained-glass windows in this country:

Prior to the McKinley tariff of 1890, stained-glass windows portraying biblical and religious subjects imported by or for churches, or for presentation to churches, were imported free of duty under provisions in the free lists of the various tariffs for paintings imported for the use or for presentation to societies incorporated for religious purposes.

When the McKinley tariff was formed, the manufacturers of stained glass in this country made urgent representations to Congress that

the stained-glass window industry was an infant industry in this country entitled to protection, and that if protection were accorded to it it could be developed and largely supply the demand in this country. Moved by these representations, the committee made a specific provision for stained-glass windows and stained window glass at a duty of 45 per cent, and expressly exempted from the paragraph providing for paintings presented to churches stained window glass and stained-glass windows.

The paragraph providing for paintings imported by or for the use of churches did not contain this exception, but the Supreme Court held, in the case of United States *v.* Perry (146 U. S., 71), that in view of the other provisions of Congress this exception must be considered as implied in the paragraph providing for importations for churches.

From 1890 until the present time the rates of duty asked for by the manufacturers of stained-glass windows have been continued, and the prediction made by those who asked for protection has been verified, and the stained-glass window industry in this country has thrived and developed until there are now a few large houses and a number of small ones who are doing a large and prosperous business in this line.

In spite of the way in which their industry has thrived and developed under the present duty during the past eighteen years, the manufacturers are now demanding increased protection. An example of the moderation of their demands is furnished by the application of the Von Gerichten Art Glass Company, of Columbus, Ohio, whose application will be found in tariff hearings. They ask that there be substituted for the present duty a specific rate of $2 per square foot and 20 per cent ad valorem, with the statement that this will just bring up the cost of the European window in New York with that of the American manufacturer, allowing a reasonable profit.

This company furnishes in its application a comparative statement of European and American cost. In this statement, under the number 5, they state that 165 square feet are used for the window, and that the total European cost is $120.50. It requires a very simple mathematical calculation to see that if a tax of $2 a square foot is put on 165 square feet it will amount to $330, and that if 20 per cent ad valorem is assessed on a foreign cost of $120.50 it will amount to $24.10. Adding these two proposed duties together we have a duty of $354.60 proposed for a window on which the foreign value is $120.20, a duty of 294 per cent ad valorem.

It is certainly a very startling proposition that the duty on any article where a prosperous industry has been built up in this country should suddenly be changed from 45 per cent ad valorem to 294 per cent ad valorem upon the claim that the established industry needs protection.

It is a matter of common knowledge that with slight exceptions the use of stained-glass windows is for churches. It has been the policy of Congress, recognized in innumerable tariff acts, to favor the cause of religion by allowing the free importation of articles intended to be used for religious purposes. The striking out of all provisions for free entry as to stained-glass windows imported for churches in the tariff act of 1890 and continued in succeeding tariffs was a pronounced and radical exception to the general policy of Congress, and we respect-

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fully submit that it went far enough in 1890 and that it should not be extended any further.

The present tariff, while it has imposed a severe and in many instances very burdensome tax upon churches or upon those whose religious inclinations have prompted them to make gifts of beautiful devotional works of art to churches, has afforded the Government a substantial revenue. The demand of the protected manufacturers now is that the tariff shall be placed so high as to practically bar out all foreign stained-glass windows, and compel the churches, and those who would be disposed to enrich their edifices by gifts of an artistic character, to either go without this part of their church decoration or pay whatever price for such articles the domestic manufacturers see fit to charge. In other words, the cause of religion is to suffer in order to enrich a few manufacturers.

We respectfully protest against the yielding to any such demand by Congress.

We urgently insist that the present duty on this class of article should be reduced and not increased. These manufacturers have had eighteen years in which to put their industry on its feet. They have not only succeeded in putting it on its feet, but have made it a very strong and thriving industry. They are more than holding their own against foreign competition, and instead of importuning Congress for further protection they ought to be disposed to make concessions.

It will be noted that these manufacturers claim that by enormously increasing the duty the Government would receive at least five times as much revenue as at present, besides placing the American establishments in a position to compete with the cheaper grades of Europe. How a duty of 294 per cent ad valorem would increase the revenues it is difficult to conceive. We can not see why it would not in effect prohibit foreign importations. It would undoubtedly place the American establishments in a position to compete not only with the cheaper but with any grades of stained-glass windows from Europe.

The figures that are given in the application of these domestic manufacturers for labor in various countries in Europe are accompanied by no statement as to the authority on which they are given, and we are satisfied that they are very far from being correct. We submit that hearsay evidence on this question of wages or cost of production should not be accepted. It should always be borne in mind, in connection with these statements as to the lower wages paid to European workmen, that the American manufacturer requires and obtains from his workmen nearly twice as much work in a given number of hours as can be obtained from corresponding workmen in a European establishment.

It will be noted that none of the manufacturers applying for increased protection furnish any figures as to the increase of their business since 1890, the amount of their profits, and, if they are incorporated, the dividends which they are paying on their stock. In short, as to all the facts that are peculiarly within their own knowledge they are reticent to the last degree, whereas as to those on which they can have no actual knowledge they are exceedingly glib.

We respectfully submit that there is no reason why Congress should depart any further than it has already done from its policy of accord-

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ing special privileges to religious or charitable institutions; that the stained-glass industry has had eighteen years of high protection to enable it to gain a foothold; that it has gained a very firm foothold and is to-day a well-established and prosperous business, and that the time has now come when it is entirely proper that Congress should withdraw from it some of the protection it has been enjoying instead of further extending that protection.

It should be borne in mind that the competition between foreign and domestic stained glass, which is the subject of the present dispute, exists only as to stained-glass windows imported for churches, etc. As to the opalescent and ornamental glass, such as is used in private houses, public buildings, etc., the domestic manufacturer now enjoys a monopoly, and the foreign houses have not attempted and do not now seek to compete with him and ask no change in the existing law.

We therefore respectfully urge that the duty on stained-glass windows and stained window glass in paragraph 112 be, as to importations for the use of or by order of churches, reduced from 45 to 25 per cent ad valorem. This is the only change we request.

W. WICKHAM SMITH,
Counsel for Importers of Stained Window Glass and Stained-Glass Windows.

MARBLE.

[Paragraph 114.]

THE ALABAMA MARBLE COMPANY, GANTTS QUARRY, ALA., URGES RETENTION OF DUTY ON MARBLE.

GANTTS QUARRY, ALA., *January 28, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Alabama Marble Company respectfully invites attention to the memorial presented to your honorable committee under date of November 23, 1908, at Washington, D. C., by the majority of the concerns interested in the marble trade in the United States, this company being one of the signers of the said memorial. We strongly urge upon your honorable committee the favorable consideration of the requests contained in this memorial, all of which we consider very conservative and just and vital to the success of the marble industry in this country. We also desire to submit for consideration the following facts relative to the marble industry in the State of Alabama, which we believe are of sufficient importance to justify special consideration:

There are in Talladega County, Ala., extensive deposits of marble, extending all the way from Talladega Springs, on the Coosa River, to the vicinity of Talladega, a distance of nearly 40 miles. The marble is generally white or blue, with more or less clouding and veining. It generally lies under the valley, at a depth of from 2 to 50 or 60 feet, with occasional outcroppings at intervals. There is reason to believe that there are several deposits of different geological ages, but a thorough survey of the county for marble has never been made. There is no question, however, that there are enormous quantities of

this stone, sufficient, if developed, to supply a large demand for many generations.

At a number of isolated points on what is believed to be one huge deposit quarries have been opened in years past and operated on a small scale by very primitive methods, for the production mainly of tombstones for local use. But all of these old workings have been abandoned except two. One of these is at Gantts Quarry, Ala., on property now owned by this company, and the other is near Talladega, owned and operated by the Talladega Marble Company. This company is the only one attempting to operate on a really commercial scale at the present time. We have invested a very large sum of money, have installed a modern and expensive plant for quarrying and finishing the marble, and have built up what promises to be a large and flourishing business, provided the present scale of selling prices can be maintained.

Alabama marble is, so far as the nature of the stone is concerned, of peculiarly fine and beautiful quality. But it lies deep in the ground and is expensive to quarry. Much of it is of low grade, due to the large amount of objectionable coloring matter. The low-grade stone is so mixed with the high grades that there is much waste, and the marble must be actually sawed before it can be properly classified and graded. A single block generally yields two or three grades of marble, and, as is the case with most American marbles, much of it has to be sold at or below the cost of production. The high-grade stone, which can be sold in competition with the high-priced imported marbles, is not sufficient in quantity to maintain a profitable business if its price is lowered or if the market for the low-grade stone is destroyed or seriously impaired. The high-grade stone can not be obtained at all without quarrying the low grade along with it.

Our property is located far inland, where we do not get the benefit of water transportation, and as a matter of fact there are few large markets in this country which we can reach with as low a total freight rate as Italian marble. In fact the existing tariff does not do much more than equalize the freight rates. Our rate to New York, the best market in this country, is 60 cents per cubic foot; to Ohio River points, from 32 to 40 cents; to Washington, 46 cents; to New Orleans, 32 cents. These are carload rates; smaller shipments take much higher rates.

In Italy the marble is exposed high up on the mountain sides. Cracks or "heads," as they are called by the quarrymen, can be easily located and the stone quarried so as to secure sound blocks with certainty. The waste is simply dumped down the mountain side. Moreover, the quarries having a free face, can be worked with powder without shattering the blocks. Our marble lies in a compact mass underground. The heads are tightly closed by the pressure and are difficult to discover until after the blocks are quarried, when it is generally too late, as a block with a crack in it is unsound and of little value. We can not blast the stone out, because marble is a confined mass, is liable to be shattered by the powder; not only the blocks that are blown out are shattered, but the force of the explosion causes new cracks extending into the solid mass below, so that an underground quarry that has been blasted is always seriously damaged and often ruined. Consequently the blocks have to be laboriously cut out with channeling machines, and it costs just as much, and

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sometimes more, to remove the unsound material as the sound. Moreover, the unsound material has to be hauled away to a dump at considerable expense.

The highest wages paid in the Italian quarries is about 60 cents per day; the lowest in our quarry is $1.25, and some men in the finishing plant get as much as $5. Foremen with us get from $90 to $125 per month. Our statement as to wages paid in Italian quarries is based upon information obtained from an Italian gentleman familiar with conditions in those quarries.

Italian marble has long been a standard, not only because the stone is of undeniably high grade, but also because the blocks are so uniform in quality that all the slabs or pieces from a block can be used together, so that the manufacturer in using them does not have to allow for any waste except that naturally due to sawing and cutting large blocks into small pieces or slabs. With the American marbles, especially those best suited for the interior finish of buildings, like Alabama marble, the producer must stand the waste and expense due to the fact that pieces from one block or slab are not always of one grade. Hence not only is it more expensive to quarry the American marbles; it is also more expensive to prepare them for the market.

Notwithstanding the disadvantages named above, however, the best grades of the American marbles can compete, at present prices, with the Italian, because these last grades are at least as fine, and often finer, than the Italian marble with which they compete. But if the tariff is removed or seriously reduced, the price of Italian marbles would almost certainly fall below the point at which the American marbles could successfully compete with them. The finer grades of American marble could still be sold, but the lower grades could not, and unless a market is found for them the quarrying for the finer grades alone could not be carried on at a profit. In the majority of commercial buildings a small difference in price will often determine the question in favor of a marble not quite so beautiful as its higher-priced competitors. Under existing conditions this enables even the medium-grade American marbles to find a market. But where both quality and price are against a marble, it has no chance at all. The very condition that now enables the American marbles of medium grade to find a market would operate in favor of the better grades of Italian as against the best grades of American marble if the tariff is removed or seriously reduced. So that the American marbles would probably be driven entirely out of the market if this were done. Those used mainly for exterior work might hold their own against Italian marbles, which are not durable when exposed to the weather in this climate. But even these American marbles would then find a formidable competitor in the Pentelliken marble from Greece, which is making itself felt in exterior work even now.

Even as it is the American producers often find the Italian marble formidable on account of prices alone. This company recently bid on a large building in Birmingham, and was underbid by a concern in Cincinnati proposing Italian marble, although we figured the work on a very narrow margin of profit, and gave the owners the full benefit of our favorable freight rate.

There is no question whatever that the removal or serious reduction of the duty on marble would have a disastrous effect upon the

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marble industries of this country. Many millions of capital now invested in them would be wiped out; thousands of men would be thrown out of employment; in many cases whole communities would suffer, and workingmen who have acquired homes would be compelled to give them up and seek employment elsewhere. Incidentally, a cessation of production of the cheaper grades of American marble would compel people of moderate and scanty means to fall back upon slate, limestone, sandstone, and even wooden slabs for marking the graves of their dead. Both granite and the imported marbles would be beyond their reach.

We frankly admit that we are acting in our own interest in asking that the tariff on marble be retained. We do not want to lose the large investment which we have made nor the profitable returns which we hope and expect to receive in the near future if the present scale of prices can be maintained. We feel that we have a perfect right to do this, and that the question of our own success or failure is a sufficient justification.

However, it is not alone a question of our self-interest that is involved. The deposits of marble in Alabama are so large and extensive that no one concern could possibly control them all. A number of concerns are only awaiting the outcome of our venture to open new quarries, or else abandon all thought of Alabama marble as a speculative investment. If we succeed many others will follow in our footsteps. If we fail Alabama marble is dead for another generation at least. If the marble industry is established on a paying basis it will be among the greatest and will be, by all odds, the most permanent of the mineral industries of the State. After the coal and iron are gone there will still be inexhaustible supplies of marble. The establishment of this industry means employment of thousands of men directly in the marble business, and a large volume of trade to the many industries that furnish us with supplies. The value of marble is nearly all labor, and a very large percentage of our gross returns is immediately paid to the workmen in the form of wages. Once established, the marble industry is a thing of generations, not of years. They began to quarry marble at Carrara before the Christian era, and there is every prospect that they will continue to do so for thousands of years to come. So it will be in Vermont, and Georgia, and Tennessee, and Alabama, if the cheap labor and easier quarry conditions at Carrara are not allowed to have full effect in this country by the reduction of the tariff.

The development of a successful marble industry calls for large capital, great faith and patience, and long-continued hard work on the part of those directly interested. But the community at large shares largely in whatever success they may achieve, without having to share in their trials and tribulations. We feel therefore that there is every justification for asking your honorable committee to continue the protection now afforded to American marbles, not only because of the capital invested, but on the ground of the general good as well.

We also feel that it is no more than just that those imported limestones which are susceptible of a high polish and are used for interior finish be classified as marbles, and made dutiable as such.

Respectfully submitted.

ALABAMA MARBLE COMPANY,
JOHN STEPHEN SEWELL,
Vice-President and General Manager.

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BUILDING STONES.

[Paragraphs 114, 117, and 118.]

STATEMENT SUBMITTED BY FRENCH CHAMBER OF COMMERCE, NEW YORK, ON BEHALF OF IMPORTERS OF FRENCH STONES FOR BUILDING OR DECORATING PURPOSES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The importers of French stones employed in engineering works and in large buildings and public monuments have reason to believe that the owners of some quarries, backed by powerful influences, have asked to have certain French stones, like Charentenay, Chassignelles, Euvile, Fouronnes, Lavoux, Lignerolles, Mereuil, Monfort, Peuron, and Vaurion, assimilated to marble and therefore subjected to a duty which instead of being 21.20 francs per cubic meter, as at present, would be 106 francs per cubic meter.

All these stones, however, can not, according to their nature, be classified as marble, but are properly limestones, not one of them being hard enough to take the polish of marble.

Furthermore, their price shows the difference of the quality, since none of them are worth more than 140 francs per cubic meter on the other side, whilst the price of marble ranges from 300 francs to 1,200 francs per cubic meter, and reaches much higher figures when the stone is imported in large blocks.

There are imported also from France stones known as Abrots and Villars. These stones can be polished to a slight extent, but can not be compared to marble, as they are not susceptible of the same finish. They have always been commercially considered as limestones. The Central Society of Architects of Paris has classified them as such, and they are exported under such designation to Belgium, Holland, Germany, and Switzerland. They do not by any means approach the nature of marble as much as certain other stones known as Hauteville, Basseville, l'Echaillon, which also are imported from France, and which, after considerable litigation, have been finally appraised as limestones, as appears from Treasury Decision No. 29496, G. A. 6856, limestone, marble, Hauteville stone, etc. The Board of General Appraisers, quoting from Bockmann *v.* United States (158 Fed. Rep., 807, T. D. 28784), has decided that all these stones are entitled to the classification of limestones.

It would seem, therefore, unjust, as their quality is inferior to that of marble, and as they can not be employed for the same expensive purposes as marble, that they should be assessed as such at a duty which would absolutely prohibit their importation, as in many cases it would reach 100 per cent or more.

We trust, therefore, that your honorable body will not take heed of the demands of quarry owners above alluded to, which it will upon examination certainly consider as without any merit, and we rely upon its sense of equity to not increase the duty on any of the above-mentioned stones imported from France.

We remain, gentlemen, very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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GARNET.

[Paragraphs 115 and 614.]

F. C. HOOPER, OF NORTH RIVER, N. Y., WISHES A DUTY PLACED ON UNMANUFACTURED GARNET USED AS AN ABRASIVE.

NORTH RIVER, N. Y., *February 6, 1909.*

Hon. GEORGE R. MALBY, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN: I am interested in securing an import duty on the mineral garnet which is used as an abrasive as distinguished from the gem, and present herewith certain facts in relation thereto.

Garnet is a very common mineral, though seldom found of as good quality for abrasive purposes as in the Adirondacks. There are in Spain, however, very rich beds which have been washed down by the mountain streams, which as collected by cheap labor, including women and children, without the aid of any mechanical process. While this garnet is of an inferior quality as compared with the Adirondack mineral, it can be sold in this country so much below our product as to result in considerable amounts of it being imported. While the amount imported has not as yet reached serious proportions, there are indications that such will be the case, as within the last two weeks I have learned of a possibility of garnet being imported from Japan or Korea.

Previous to the time that we became interested in the garnet industry business had been carried on in this section by the farmers in a desultory way, by hand picking the small pockets from the rock. In the early nineties I spent three years in developing a mechanical process for the separation of the garnet from the rock, and through these efforts something entirely new in American industries has been developed. Our investments since we began operations in 1893 amounts to a little over $200,000, and in good business seasons we employ from 150 to 160 persons. Our production runs from 2,000 to 4,000 tons per year, depending on the market requirements.

The imports for the years 1907 and 1908 as given by the New York custom-house are valued at $7,351 for 448½ gross tons, or an import valuation of $16.39 per gross ton of 2,240 pounds, or $12.71 for a net ton of 2,000 pounds. This garnet sells in this country for about $26 per gross ton, which is equal to a price of $23.21 per net ton of 2,000 pounds, which is $5 to $8 less than our cost of production and about $12 less than our market price of $35 per net ton of 2,000 pounds.

Under the circumstances we would think that $10 per net ton duty would be no more than fair, as this added to the selling price of the Spanish garnet would be about $2 below our selling price.

This question should be of interest to Members of Congress from North Carolina and Georgia, as there are deposits in that region similar in quality to the Spanish garnet, and I think that with the addition of the above duty there would be developments in this industry in the South.

Yours, very truly,

NORTH RIVER GARNET COMPANY,
F. C. HOOPER, *Manager.*

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GRAPHITE OR PLUMBAGO.

[Paragraph 643.]

THE ROSS-TACONY CRUCIBLE CO., TACONY, PA., PROTESTS AGAINST THE REMOVAL OF GRAPHITE OR PLUMBAGO FROM THE FREE LIST.

TACONY, PHILADELPHIA, *January 22, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Our attention has been called to the fact that a few parties have the matter up with you in regard to placing a duty on graphite, or plumbago, as it is known in the Ceylon market. After sending to Washington for a copy of the briefs and reading them very carefully we think it is only right that we should communicate with your committee and give our ideas in regard to this subject. The idea as put forth in all of these articles shows very clearly that they have been written by people who know very little or nothing about the manufacture of crucibles. In the first place Edward O. Towne starts off by saying that the graphite is a metal. This is one of the most ludicrous things in the whole article, as you well know graphite is not a metal at all. It is very largely composed of carbon, which is used with a composition of clay in making the crucible, that will stand any amount of heat, in which metals are melted. The amount of flake graphite, which is the only grade that can be used at all in the manufacture of crucibles, and that in a very cautious way, is found in such small quantities in this country that even if a tariff was put on we doubt if all the mines put together would supply one crucible manufacturer.

The American graphite is composed so very largely of mica that wherever this shows in any percentage at all it absolutely condemns these goods for our work. On the other hand, even though some of the manufacturers think they can use the American goods to an advantage, they are not willing and can not use them entirely. They have to depend on the Ceylon goods for the larger portion.

Another point to consider is, the tariff asked for from 2 to 3 cents per pound would so affect the price of all metals that are made in crucibles that it really would be a very serious matter and would add quite an additional amount per ton to the price of the metals made in crucibles.

In the article written by Mr. Chester we find, he says, the average cost of producing a pound of pure flake graphite varies from 3 to 5 cents. The highest grade of Ceylon at the present time is ranging from 10½ to 11 cents per pound, so if he has a good stock, costing 5 cents or even 6 cents to produce, it seems to me he can make a very handsome profit and does not need any protection. We might say that for the past five or six years the average price on crucible graphite from the Ceylon market has been somewhere in the neighborhood of 8 cents.

We feel that it would be very unjust to everyone concerned to have any tariff at all put on the plumbago market at the present conditions.

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I doubt very much if all the graphite mined in this country suitable for the manufacture of crucibles would supply more than 2 per cent of the amount needed. Therefore I trust that your committee will take this matter up, and if there is any other information you would like to have, we would be glad to furnish it.

Yours, very truly,

ROSS-TACONY CRUCIBLE COMPANY,
Per HENRY A. ROSS, *President.*

THE JOSEPH DIXON CRUCIBLE CO., JERSEY CITY, N. J., SUBMITS STATEMENT RELATIVE TO GRAPHITE AND CLAY.

JERSEY CITY, N. J., *February 4, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Permit us please to write you very briefly concerning—

1. Graphite used in the manufacture of crucibles and other high heat-resisting articles; also used in the manufacture of lead pencils, stove polish, graphite paints, etc.

2. Clay which is used as a binder in the manufacture of crucibles and other high heat-resisting articles.

GRAPHITE.

For convenience in the selling of graphite, and in the manufacture of graphite and the trade generally, graphite is divided into two classes known as "crystalline graphite" and "amorphous graphite."

The graphite which comes to us from Ceylon is known as the "crystalline graphite," and the importation of Ceylon graphite has averaged for the last ten or eleven years about 14,000 or 15,000 tons, and of this amount about 70 per cent is used in the manufacture of crucibles.

Because of its physical structure the Ceylon graphite is peculiarly adapted for the making of crucibles. Nowhere else in the world, so far as our knowledge goes, is graphite produced that is in any way equal, or in any way near equal, to the Ceylon graphite.

As an illustration of what we mean by physical structure, permit us to call your attention to the fact that the mason invariably uses what is known as "sharp" inland sand in the making of his mortar, and would never think of using the round smooth seaside sand, which is quite as pure chemically speaking, but lacks the physical structure for the making of strong walls, and it is because of the difference in physical structure and not because of its difference in chemical purity that we crucible manufacturers find the Ceylon graphite so much superior to graphite produced anywhere else in the world, not even excepting the graphite produced in the United States known as "flake graphite."

Graphite used in the manufacture of lead pencils is what is known as "amorphous graphite." A most excellent graphite of this kind is found in Austria, and in former years it was the Austrian graphite that was chiefly, if not entirely, used by the pencil manufacturers of

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the United States. The only other graphite mine supplying pencil factories is located in Sonora, Mexico, and is owned by American interests.

By the above we desire to impress upon you the fact that there is produced in the United States no graphite at all suitable for the manufacture of crucibles, or for the manufacture of lead pencils, and that we must look to foreign countries for our graphite, and it is for this reason that we ask your honorable committee to retain graphite on the free list, as at present.

Parties interested in the mining of graphite in the United States, especially those interested in the mining of graphite in the States of Pennsylvania and Alabama, have petitioned your honorable body asking for a tariff to be placed on foreign graphite.

We would respectfully call your attention to our letter to the Committee on Ways and Means, dated January 7, 1909, published January 13, in which we show that of all the graphite produced in the United States, the Dixon Company has produced 60 per cent, and has made no use of it in the manufacture of either crucibles or lead pencils.

For letters from those who have sought to have duty placed on foreign graphite, we call your attention to the Ways and Means proceedings of December 7, 1908, and to a letter from the Turnbull Construction Company, of proceedings of January 13, 1909.

CLAY.

What we have already said concerning graphite is equally true of clay which is used as a binder for crucibles. There are about one dozen crucible manufacturers in the United States, and one and all make use only of the clay imported from Germany in the manufacture of their crucibles—that is, as a binder for the graphite. No clay has ever been found in the United States that crucible manufacturers can use in their work.

* * * * * * * *

Yours, very truly,

GEO. E. LONG,
Treasurer Joseph Dixon Crucible Company.

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SCHEDULE C—METALS, AND MANUFACTURES OF.

IRON ORE.

[Paragraph 121.]

THE CLEVELAND-CLIFFS IRON COMPANY, CLEVELAND, OHIO, SUBMITS INFORMATION RELATIVE TO IRON ORE.

CLEVELAND, OHIO, *January 16, 1909.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: In connection with the hearings on the revision of the tariff, I wish to present to your attention the following statement, showing

First. The growth of the shipments of Lake Superior iron ore from the mines from 1890 to and including 1908, the last date being approximate as the total figures have not yet been received.

Second. The average cost per ton of these shipments for the year 1908, divided, is as follows:

(*a*) Cost f. o. b. cars at mine, divided into labor and supplies—supplies including such items as taxes and insurance.

(*b*) Depreciation, which means the necessary cost charged per ton so that when the mine is exhausted the preliminary development cost will have disappeared from the books.

Third. Royalty.

Fourth. Rail transportation from mines to vessels at upper lake ports.

Fifth. Lake transportation from upper lake ports to Lake Michigan and Lake Erie ports.

Sixth. Freight rates from said lower lake ports to points of consumption in the Mahoning and Shenango Valley, Pittsburg, middle Pennsylvania, eastern points the other side of the Allegheny Mountains.

These figures represent the average cost of the above items of much the greater portion of all the ores shipped from mines other than those controlled by the United States Steel Corporation during 1908, and in my judgment very closely approximate what would be the exact figures in case every single mine had been included in the estimates.

The costs of the ores shipped by the United States Steel Corporation are not here included, as they have prepared their own figures. Of the total amount of ore shipped now from Lake Superior, about one-half is for the account of the United States Steel Corporation, and the other half for the account of all other producers.

I also give you herewith the figures showing the average daily wages of the employees as follows:

First. Of Lake Superior iron-ore mines, excluding salaried officials.

Second. Of a railroad in the Lake Superior district, whose sole

business is the transportation of iron ore, and which I think is representative of all upper lake railroads engaged in that business.

Third. Lake steamboats engaged in transporting the ore.

You will note the tremendous development of this industry since 1890. It is this great development, stimulated by the protective tariff under which the iron and steel industry of this country has grown that has enabled our iron and steel industry to outstrip in production all other countries. There is still an enormous acreage of undeveloped mineral territory in the Lake Superior region and also in other parts of the United States. This country could never have made its great progress in iron and steel except through the development of these great bodies of iron ore, and the transportation facilities both rail and lake coincident therewith.

The greater portion of this iron ore is consumed at inland furnaces, thus necessitating a rail charge from the lower lake port in addition to the cost at said port.

You will note that the average cost per ton of Lake Superior iron ores at such delivery points is as follows:

At Lake Erie ports	$3.06
At Mahoning and Shenango Valley points	3.71
At Pittsburg and vicinity	4.11
At western Pennsylvania points other than above	4.31
At points east of the Allegheny Mountains	4.56

I do not have the figures before me of the cost of foreign ores at the eastern seaboard, but from the above figures you will note that any material reduction in the tariff on iron ore will increase the difficulty already existing for Lake Superior ores to compete with foreign ores at points east of the Allegheny Mountains, and also will affect Lake Superior iron ore at points west of the mountains, not perhaps so much from the fact that foreign iron ores themselves will go west of said mountains in large quantities, as from their products, such as pig iron and manufactured steel, thus limiting the market of our customers west of the mountains and decreasing their ability to buy ore, or forcing the selling of their products at lower figures, which would thus force lower selling prices for Lake Superior iron ores. The tendency of lower selling prices would be to make lower costs, which means inability to pay as high prices for labor and supplies.

This great industry, with the mining communities, railroads, and vessel interests working in harmony with it, as well as the great steel works consuming the ore, has been built up under our present tariff laws.

It seems to us that any reduction in these tariffs should be made with much conservatism, so as to avoid the necessity of any radical change of the conditions under which it is operating.

We have been unable to get accurate figures of the cost of producing iron ore and the daily wages prevailing in the countries already exporting to the United States, and which countries are ready to increase said exportation with the lowering of the tariff, such as Spain, Canada, Cuba, etc. Doubtless these figures will be presented to you from other sources or can be secured from the departments of the Government.

The statement above referred to follows on the next page.

Yours, very truly,

WM. G. MATHER
President Cleveland-Cliffs Iron Company.

Shipments of Lake Superior ores, by five-year periods, from 1890 to 1908.

	Tons.
1890	9,003,725
1895	10,429,037
1900	19,059,393
1905	34,353,456
1906	38,522,239
1907	42,245,070
1908	25,348,168

Average cost of mining and delivering ore at Lake Erie ports.

Cost per ton for—	
Labor	$0.7512
Supplies, including taxes and insurance	.3471
Depreciation	.2863
Total cost per ton on cars at mines	1.3846
Cost per ton for—	
Royalty [a]	.3309
Transportation, rail and lake	1.2344
Administrative expense, commissions, etc	.1096
Total cost per ton at Lake Erie ports	3.0595
Average wages per man per day:	
All employees at mines	$2.47
All employees, lake-ore steamboats	2.38
All employees (exclusive of manager) on iron-ore railways	2.34
Average rates from Lake Erie ports to furnaces:	
Mahoning and Shenango Valley points	.65
Pittsburg and vicinity	1.05
Western Pennsylvania points, other than above	1.25
East of Allegheny Mountain points	1.50

CHROME IRON ORE.

[Paragraph 121.]

HON. F. E. WARREN, SENATOR, SUBMITS LETTER OF E. W. MERRITT, DENVER, COLO., ASKING FOR AN INCREASE OF THE DUTY ON CHROME ORES.

WASHINGTON, D. C., *February 25, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: I inclose herewith for the attention and consideration of your committee a letter received by me from E. W. Merritt, president Chromium Mines Company, 708 Seventeenth street, Denver, Colo., relative to the desirability of placing a tariff of $4 per ton on importations into the United States of chrome iron ore.

Very truly, yours,

F. E. WARREN.

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[a] This royalty figure represents the average of old leases. Many leases of more recent years require royalties of from 75 cents to 85 cents per ton.

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708 SEVENTEENTH STREET,
Denver, Colo., February 19, 1909.

Hon. FRANCIS E. WARREN,
United States Senate, Washington, D. C.

DEAR SIR: Our company are the owners of a chrome iron mining proposition on Deer Creek in the western portion of Converse County, about 18 miles from Glenn Rock, Wyo. We find that we are unable to ship these ores in competition with foreign ores brought in empty ship bottoms as ballast. We have the only known deposit of any magnitude in the United States. The various engineers we have had inspect the property estimate the ore in sight at from 750,000 to 1,000,000 tons. In case of a war with any other country, the supply would be shut off entirely from this country and it would be invaluable to have this mine developed and ready to take care of the large demand that would necessarily follow.

The chrome ore is used in all armor plate, the manufacture of all arms including the cannon; also all tools. Chromic acid taken from these ores is the foundation for tanning, for making bichromate of potash, which is used in all telegraph and telephone batteries—in fact is necessary for the Western Union Telegraph and Postal Telegraph companies. The chromic acid is also used in staying colors in all dyestuffs in woolen, silk, and cotton goods to make the colors fast. It is used in the rims of car wheels for wiring surface over the paper centers. So you can see that it is a very necessary and very valuable product.

The ores run from $10 to $20 per ton in value. At the present time it is coming into this country as ordinary iron ore, which is worth not to exceed $2.50 or $3 per ton, and has a duty of 40 cents, I am told. There were about 80,000 tons imported into this country, quite a large amount from Japan, about 12,000 tons from Asia Minor or Greece, about 8,000 tons from upper Canada, near Quebec, and the entire United States product was 107 tons. The freight rate in ship bottoms from Greece to Chester, Pa., the ore unloaded on the wharf, is $2.88 per ton. Our freight rate to Pittsburg is about $7 per ton at the present time. We are told by the railroads that they will lower that rate some to us if we can arrange to get the ore into Cleveland and Pittsburg by getting an adequate tariff on the ores, so that it will be possible for us to ship there in large volume.

This is developing the resources of Wyoming, and will make a large business there if we can manage this tariff proposition. You have always taken such an interest in everything that developed the State that I write you to ask if you will interest yourself in this matter; take it up with Clark, Mondell, and our Colorado Members, who I am sure will do anything they could for us and to assist you in this matter; There should be a rate of not less than $4 per ton tariff. You can see that in case of any foreign war it would be simply invaluable, as everything necessary in war requires this material.

I appreciate the fact that there will be quite a fight from the shipping interests who bring this over as ballast, and possibly from the steel people and the large users of this ore, as they would think it would raise the price some of the raw material. One of the largest uses of this ore, which is very refractory, is for linings of open hearths and blast furnaces, as it withstands a very high degree of heat, and they must have it.

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As the matter stands now, we can not ship any of the ore east of Chicago and make a cent profit, as they can get it from Greece or Japan cheaper than we can lay it down in Pittsburg.

I will appreciate your thoughtful interest in this matter, and a letter stating thoroughly your views, at your convenience, as to what might be done in the way of a protective tariff.

Very truly, yours,

CHROMIUM MINES COMPANY,
E. W. MERRITT, *President.*

PIG IRON.

[Paragraph 122.]

SWORN STATEMENT OF B. F. FACKENTHAL, JR., PRESIDENT AND GENERAL MANAGER OF THE THOMAS IRON COMPANY, EASTON, PA., RELATIVE TO PIG IRON.

EASTON, PA., *January 14, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Thomas Iron Company was organized in 1854, and has manufactured merchant pig iron continuously down to the present time, a period of fifty-four years. It does not manufacture any other iron or steel product. The company is doubtless the oldest in America manufacturing merchant pig iron. It has never been reorganized nor had its corporate name changed. It passed successfully through the panics of 1857, 1873, 1893, and 1908, and through several anthracite coal strikes. On at least two occasions during anthracite coal strikes it was compelled to blow out or bank all its furnaces but one. It also passed successfully through the period of the civil war. At the present time the company has nine stacks, four of which are in blast.

From the time of its organization in 1854 it has produced from its own mines, or from mines controlled directly or indirectly by it, over 50 per cent of its iron-ore requirements. Many of its mining operations proved unprofitable, but others were profitable, particularly the Richard magnetic iron-ore mine, located near Dover, N. J., which has been the most profitable of all its mining operations. Twenty-four per cent of all the ore smelted by the company during the fifty-four years it has been in business has been taken from that mine.

The company has doubtless been as successful as any of its competitors manufacturing merchant pig iron in the East. The returns to its stockholders, however, have never been abnormal. At times dividends were quite small; at other times they were passed altogether; but taken as a whole, the investment has been fairly profitable. During my administration as president and general manager, covering the past sixteen years (1893 to 1908, both inclusive), the capital of $2,500,000 has remained exactly the same, and over that period of time the dividends have averaged 6¾ per cent per annum. The stock of the company is not listed, nor has it ever been used for speculative purposes, but is held largely by descendants of people who established the company fifty-four years ago. At present there are 590 stock-

holders, of whom 248 are women. Some of the employees are children and grandchildren of the original men who aided in building the first furnace in 1854.

The Thomas Iron Company's cost of manufacturing basic and foundry pig iron for the year 1907, from figures taken from the books of the company, amounted to $18.28. This cost includes fuel, ores, limestone, labor, salaries, laboratories, taxes, and other items entering into the cost, as well as 14 cents for maintaining our New York and Philadelphia sales offices, and 17 cents the actual cost of relining and repairing the furnaces during that year. The charge for relining, however, for that year, is 6 cents below the average cost, which has been 23 cents per ton. In addition to the above cost, there has been expended for replacements an average of 37 cents per ton on all iron manufactured during the past sixteen years, making the total cost of operation, including replacements, $18.65 per ton. The iron ore has been charged at its cost, without adding royalties or profits of any kind. We have no bonded indebtedness, and therefore no interest item has entered into this cost.

The item of 37 cents for replacements does not cover an extension of the works or additional furnaces; in fact, there were eleven stacks in 1893, two of which were abandoned; and, moreover, 90 per cent of the amount for replacements was expended on two of the remaining nine stacks.

Our sales over the entire year 1907 averaged $19.75 f. o. b. cars at furnace, leaving a profit on pig iron of $1.10 over and above the cost as herein stated. It is a fact, however, that during the year under review, pig iron sold at times at higher prices, but the average price received by the Thomas Iron Company, as shown on the books of the company, was $19.75 per ton.

I am informed that the importations of foundry pig iron during 1907 amounted to about 500,000 tons, but am not informed as to the price at which it was sold. I am, however, personally interested in a foundry company, to whose figures I have access, and learn that it purchased 8,535 tons of English iron during 1907, at an average cost of $21.20 delivered at its foundry, where the freights from tide were 80 cents per ton. Over the same period of time our price delivered to that foundry was $22.50 per ton, or $1.30 above the price at which it purchased foreign iron.

I am also reliably informed that one of the largest manufacturers of cast-iron water pipe in the North, whose works are located on water front, used imported English iron almost exclusively during 1907, claiming that the price was much lower than that at which they could buy from merchant furnaces in this country.

The year 1908 was a panic year, and is not herein referred to, particularly as merchant pig iron has been sold by eastern furnaces without profit.

I am more or less familiar with costs at other plants in the Lehigh and Schuylkill valleys, and, moreover, have obtained some figures of cost from some of the best plants in these districts, which, together with conditions at the Thomas Iron Company's plant, enable me to say that the cost of manufacturing foundry pig-iron in eastern Pennsylvania at the present time is $16.25, based on present prices for fuel and labor, and on the 1908 price for Lake ore; and, in other respects, on the same basis as the figures for 1907 contained herein. Furnaces

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running on basic pig iron suitable for open-hearth steel should manufacture iron at 75 cents less than the cost for foundry iron; in fact, the Thomas Iron Company's furnaces show about that difference between the two grades, making the cost at the present time of basic $15.50 per ton.

Any further advance in the selling price of iron is sure to entail an increase in the cost of manufacture, including an advance in labor at our mines, quarries, and works. During 1906 all wages were advanced 10 per cent; during 1907 an additional advance of 10 per cent was made; during 1908 a reduction of 10 per cent was made. If a revision of the tariff does not handicap us in getting our business back on a paying basis, the wages of 1907 must be restored, and will add directly to the above estimated cost.

If the tariff duty on pig iron is removed or reduced, I feel confident that it will eventually compel all manufacturers of merchant pig iron in the East to go into liquidation.

B. F. FACKENTHAL, Jr.

STATE OF PENNSYLVANIA,
County of Northampton, ss:

B. F. Fackenthal, jr., being duly sworn, according to law, deposes and says that the facts set forth in the foregoing statement, so far as stated from his own knowledge, are true; and, so far as stated upon information received from others, he verily believes them to be true.

B. F. FACKENTHAL, Jr.

Sworn and subscribed before me January 14, 1909.

[SEAL.] CHAS. B. BRUNNER,
Notary Public for Pennsylvania.

(Commission expires March 16, 1911.)

CHARLES H. ZEHNDER, NEW YORK, FILES AFFIDAVIT SHOWING COST OF PRODUCING PIG IRON IN VIRGINIA.

140 CEDAR STREET, NEW YORK,
January 21, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR SIR: I inclose you herewith an affidavit relating to the cost of producing pig iron and other data for the State of Virginia, which I would like to file with the committee.

Yours, truly, C. H. ZEHNDER.

STATE OF NEW YORK, *county of New York, ss:*

Charles H. Zehnder, being duly sworn, deposes and says that he has been personally engaged in the manufacture of pig iron in the State of Virginia for more than six years up to about one year ago, and since that time has kept in close touch with the business on account of the large financial interests in mineral property that he still holds in the States of Virginia and West Virginia dependent on the prosperity of the pig-iron business.

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Affiant further says that during the last five or six years the average cost of manufacturing pig iron in the State of Virginia from native ores of the highest character, including proper charges for depreciation, insurance, etc., has been about $14.50 per ton.

There was produced in Virginia during the year 1908, 314,009 tons of pig iron. The actual producing capacity of the State is about 600,000 tons. This pig iron is largely marketed in the East and West. The actual consumption in the State is very small. Any reduction in the tariff from the present schedule would work a serious hardship, and a severe cut would almost ruin the industry in the State. The ores are lean and getting more expensive to produce every year, as there is but one very large body of ore that has been developed in Virginia that lies in a compact body. Practically all the other bodies of ore are thin and scattered over wide territory.

CHARLES H. ZEHNDER.

Sworn and subscribed to before me this 22d day of January, 1909.
[SEAL.] LUDWIG R. MILLER, *Notary Public.*

HON. IRVING P. WANGER, M. C., SUBMITS ESTIMATE FOR MAKING PIG IRON COMPILED BY RICHARD HECKSCHER & SONS COMPANY, SWEDELAND, PA.

WASHINGTON, D. C., *January 30, 1909.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Herewith find a statement of the estimated cost of making pig iron for the next six months at the furnaces of the Richard Heckscher & Sons Company, Swedeland, Pa. (offices in the Manhattan Building, southeast corner Fourth and Walnut streets, Philadelphia, Pa.), sworn to by Mr. Herbert W. Gwyn, secretary, which I trust will have your best consideration.

Yours, very respectfully,

IRVING P. WANGER, M. C.,
Eighth District, Pennsylvania.

PHILADELPHIA, PA., *January 27, 1909.*

A fair estimate of the cost of making pig iron for the next six months, based upon 1908 prices for Lake Superior ores and a varying percentage of local and foreign ores, is as follows:

FOUNDRY IRON.

Estimated cost, based on using 50 per cent of lake ores at season 1908 prices:

Ore, cost per ton of pig iron	$8.49
Coke,[a] 2,600 pounds, at $3.90 per net ton delivered	5.07
Limestone, 1,344 pounds, at 80 cents per gross ton	.48
Labor and miscellaneous charges	1.45
Interest	.18
Depreciation	.15
Extraordinary repairs (relining, etc.)	.15
Total	15.97

[a] This is estimated fuel on all grades of foundry iron; as we manufacture the higher grades almost entirely, a fair average of fuel consumption for such grades would be about 2,700 pounds per ton of iron, which would increase the estimated cost of iron by 29 cents per ton, making the total $16.26.

BASIC IRON.

Estimated cost based on using 45 per cent of Lake Superior ores at season 1908 prices:

Ore, cost per ton of pig iron	$8.37
Coke, 2,300 pounds, at $3.90 per net ton delivered	4.48
Limestone, 1,344 pounds, at 80 cents per gross ton	.48
Labor and miscellaneous charges	1.25
Interest	.18
Depreciation	.15
Extraordinary repairs (relining, etc.)	.15
Total	15.06

HERBERT W. GWYN, *Secretary.*

Sworn and subscribed to before me, a notary public of Pennsylvania, this 27th day of January, A. D. 1909.

[SEAL.] H. J. REARDON, *Notary Public.*

PIG IRON AND COAL.

[Paragraphs 122, 415, and 523.]

THE ALABAMA CONSOLIDATED COAL AND IRON COMPANY, BIRMINGHAM, ALA., PROTESTS AGAINST ANY ALTERATION IN PRESENT DUTIES ON COAL AND IRON.

BIRMINGHAM, ALA., *January 28, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The following arguments are respectfully submitted on behalf of the Alabama Consolidated Coal and Iron Company, producers of purely commercial iron and coal, and located in the Birmingham, Ala., district, against any alteration in the present tariff rate on coal and pig iron:

Birmingham is the chief producing center of the coal and iron industry of Alabama, and Alabama produces more pig iron than any other Southern State. Alabama can produce in normal times about 1,800,000 tons of pig iron and 14,500,000 tons of coal.

Its own manufactories consume approximately 55 per cent of its output of pig, leaving 45 per cent to be marketed elsewhere.

This amounts, therefore, to 810,000 tons.

Geographically and from the standpoint of consumption, Birmingham is badly located, being 275 miles from tide water.

Note the following freight rates to the principal points of consumption:

Pittsburg	$4.90
Chicago	4.35
Cincinnati	3.25
St. Louis	3.75
Philadelphia (rail and water)	4.00
Philadelphia (all rail)	5.00
New York (rail and water)	4.25
New York (all rail)	5.95
Boston (rail and water)	4.60
Boston (all rail)	6.40

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From the above figures you will note that the average freight rate on Birmingham pig is considerably in excess of the present tariff.

The cost of making pig iron in Birmingham in 1907, prior to the panic of October of that year, was $12.61 per gross ton of 2,240 pounds, thus making the cost laid down in New York, during that period, $12.61 plus $4.25 equals $16.86, excluding any profit.

The present selling price of Birmingham No. 2 is $13 f. o. b. cars, or $17.25 New York Harbor.

The present selling price of Cleveland (English) pig is $12.04. This pig can be delivered in New York Harbor for $2 per ton freight. So that on the present basis Cleveland iron would cost on dock New York $12.04 plus $2 plus $4, equals $18.04, or a difference of only 79 cents.

It may be argued that the present average cost of making pig iron in the Birmingham district is less than $12.61, and this is quite true, but the lessening in cost is simply the result of panic conditions, and a revival of prosperity would immediately send the cost back to the 1907 figures.

Even at the present selling price there is no undue profit, for with our lean ores, requiring from 1½ to 2 tons of coke per ton of iron, the yield to the stockholder is small.

The truth of this statement is evidenced by the following figures:

Cost of building one complete stack of 200 tons daily capacity	$750,000
Cost of building 300 coke ovens and opening coal mines	300,000
Cost of building coal washer	75,000
Cost of opening ore mines	125,000
Cost of opening quarry	50,000
Total	1,300,000

This investment will have to be renewed once every ten years, and as such a furnace will produce in this period about 750,000 tons of pig, the product would have to make for renewal $1,300,000 and for 6 per cent interest $780,000—total, $2,080,000, or practically $3 per ton—so that even if the average cost of iron be $10 now, only a living profit is being obtained at to-day's selling figures.

Furthermore, you will note that no allowance is made for investment in mineral lands and depreciation thereof, it being rather roughly assumed that the appreciation in the value of mineral lands will cover this.

It should be further stated that the pig-iron market abroad would welcome the least reduction in the tariff, as the above figures show that a very moderate reduction would allow them to use our Atlantic seaboard towns as a dumping ground; and it is to these very Atlantic seaboard towns that we look for the consumption of a large amount of our surplus pig.

Turning now to coal. If you will look at a map of the United States you will note that the Ohio and tributary streams provide a highway for the coal fields of Pennsylvania, Ohio, Kentucky, and partially to those of West Virginia.

As a general proposition the coal of these States is of rather better grade and more cheaply mined than ours, therefore they can control the whole river trade all the way to New Orleans. On the Atlantic coast the Pocahontas field, with its 10-foot seam of the best coal in the world, can be mined and put on board ship at prices we can never hope to reach.

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This means that the Atlantic seaboard trade, from Maine to Tampico, Mexico, is controlled by the Virginia and West Virginia coals, and this leaves us only the restricted area immediately contiguous to our district.

The truth of the foregoing was demonstrated last autumn when, owing to an excessive and prolonged drought, coal could not be boated down the Ohio. This brought about an immediate demand from Mississippi Valley points, and at one time this district shipped into New Orleans alone 3,000 tons per day. As soon as the Ohio reached a boating stage, however, this demand failed.

Now, if the tariff be removed on coal, the Nova Scotia mines, situated, as they are, on tide water, can supply the Atlantic coast, by direct barge and steamer, at figures which will deprive our Virginia and West Virginia mines, with their railroad haul to tide water, of all profit and cause them to further seek interior trade, thus still further restricting our sales area.

From the above figures and facts, which are most conservatively stated, it is evident that Alabama is rather in need of an increase in the tariff than a decrease.

Respectfully submitted.

ALABAMA CONSOLIDATED COAL AND IRON CO.
Per GUY R. JOHNSON, *Vice-President.*

FERROSILICON.

[Paragraph 122.]

THE SUSQUEHANNA SMELTING COMPANY, LOCKPORT, N. Y., FILES SUPPLEMENTAL BRIEF RELATIVE TO FERROSILICON AND CANADIAN COMPETITION.

LOCKPORT, N. Y., *January 25, 1909.*

THE COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: We trust, in view of the statement submitted to you by the Electro Metals Company, a Canadian corporation, which purports to contradict two statements of fact included in our brief upon the subject of ferrosilicon and relative to Canadian competition, that you will give this short reply your consideration.

The Electro Metals Company, through Mr. Walter Gaston, has taken exception to two statements in our brief:

(1) That they buy Canadian charcoal at two-thirds the price at which we can buy it.

(2) That they obtain power 25 per cent cheaper than we can obtain it, although the power originally comes from the same power development.

With regard to the first statement we apologize to Mr. Gaston and the Electro Metals Company. We should have said "can buy Canadian charcoal at two-thirds the price at which we can obtain it." The price of charcoal, f. o. b. Toronto, is $8 per 2,000 pounds, while the best price of charcoal at Lockport to very large consumers is $11.25 per 2,000 pounds, the average price ranging from $13 to $16

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per 2,000 pounds. The purest ferrosilicon is made by using charcoal as a reducing agent, and we had fallen into the error that the Electro Metals Company would be sure to use charcoal.

The Electro Metals Company may use no charcoal at all, or use imported charcoal; in either event we are content to leave it that the price of charcoal in Canada is substantially two-thirds the price of charcoal in Lockport, N. Y.

To pass to the second statement of fact to which the Electro Metals Company takes exception: "That the Canadian company obtains bounty-fed power 25 per cent cheaper than we can obtain it at Lockport, N. Y."

The statement that this power was 25 per cent cheaper is substantially true, as shown below. We will say at once, however, that we were misinformed that the cheaper Canadian power was the consequence of a bounty given to the company developing power. This statement was incorrect, and it is correct to state that the company developing the power pays royalty on all power developed to the Canadian government. It is, however, an undisputed fact that Niagara power developed on the Canadian side can be bought at Welland, Ontario, for $12.75, at points nearer the origin in Canada for $12.50, and that at no point on the American side can power of identical character from the same development, or any other, to the best of our knowledge and belief, be bought for less than $16, for smelting purposes.

Lockport, owing to a variety of reasons, obtains benefit of the most favorable rates. These facts, it will be admitted, do constitute a natural advantage in favor of the Canadian industry concerned.

We can scarcely believe that the Electro Metals Company were ever offered power in a possible location for this enterprise in the United States at a price less than $12.75 per horsepower year, since we ourselves, before locating our plant at Lockport, searched over the American side of the Niagara frontier for the most favorable rates. In no case were we offered a rate better than $16, and in most cases a considerably higher one. We feel satisfied that there is no point in the United States where ferrosilicon could be manufactured and marketed to better advantage than close to Niagara Falls on the Niagara frontier, taking freight rates and power cost both into consideration. On these facts we contend that our second statement was justified.

Mr. Gaston makes many and varied statements as to European competition which, from their general and indefinite nature, do not call for reply.

The salient fact remains that never at any time has an American manufacturer been able to compete, either abroad or in Canada, while both the European and Canadian manufacturer are to-day selling ferrosilicon in the States at prices which apprear to us, who have both knowledge and experience, to be unfair and ridiculous.

We can not believe that lately ferrosilicon that has been made in the States has been sold in Canada at a profit. If ferrosilicon has been sold into Canada from the States at anything like present prices it must have been first imported from abroad, a fact that would throw an interesting light on European costs.

We should be sorry for the committee to think that a brief was submitted by us in bad faith. Any unintentional misrepresentation

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we are prepared to take the blame for. We frankly admit that we approached the Ways and Means Committee in the interest only of the manufacturers of domestic electrolytic ferrosilicon. We submit, however, that our statement gave the committee a true idea of the actual position, a position which justifies our brief.

Lastly we would remind the committee that practically the only other corporation interested in the domestic industry, namely, the Electro Metallurgical Company, of Niagara Falls, fully confirmed our statements in their brief presented upon the subject.

Yours, truly,

SUSQUEHANNA SMELTING COMPANY,
HERBERT C. HARRISON,
Vice-President.

FERRO ALLOYS.

[Paragraphs 122 and 183.]

BROWN & GERRY, NEW YORK CITY, SUGGEST CLASSIFICATION FOR THE VARIOUS STEEL-HARDENING METALS.

12 BROADWAY,
New York, February 11, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

SIR: Speaking in behalf of the Electro-Metallurgical Company and Bessie Ferro-Silicon Company, the latter representing also the Ashland Iron Mining Company, we beg to suggest to your honorable committee the language to be inserted in the paragraph of the new tariff corresponding to paragraph 183 of the present tariff which will cover the wishes of the domestic manufacturers.

We are authorized to state by General Appraiser Fischer, who has had particularly under his supervision the various questions concerning the importation of ferroalloys, that the language we are suggesting will, in his opinion, safeguard the interests of the Government and the domestic interests, and that if called on by your committee he will gladly express his approval of the same.

The suggested changes are as follows:

Paragraph 122. Strike out the word "ferrosilicon."

Paragraph 183. Insert the following words: "Chromium or chromium metal, tungsten, molybdenum, titanium, silicon, tantalum, ferrosilicon, ferrochrome or ferrochromium, ferrotungsten, ferromolybdenum, ferrotitanium, ferrovanadium, ferrotantalum, ferrophosphorus, ferroboron, and all other metals and alloys, all the foregoing crude or refined but unwrought, whether capable of being wrought or not, and whether produced in electric furnace or blast furnace or by chemical or other process, not otherwise specially provided for in this act, —— ad valorem."

Very respectfully,

BROWN & GERRY.

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BAR IRON.

[Paragraph 123.]

THE AMERICAN IRON AND STEEL MANUFACTURING CO. SUBMITS ESTIMATES OF COST OF MAKING BAR IRON.

LEBANON, PA., U. S. A., *February 4, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: The accompanying exhibits, numbered from A to E, inclusive, give the actual cost east of the Allegheny Mountains and north of the Potomac River of making merchant refined bar iron (see Exhibits A and B), also a higher grade of refined bar iron (see Exhibit C). And also the cost of puddling pig iron and busheling scrap material into puddled or muck bar and scrap bar (Exhibits D and E), this conversion being preliminary to their use in making iron bars described on Exhibits A, B, and C.

The costs given will necessarily vary slightly in the different localities of this large section of our country, but not greatly, as local advantages in one or two items are apt to be offset by disadvantages in something else. The cost of the tonnage labor is practically the same with all the mills in this section.

While the present selling price of refined bar iron is stated at 1.45 and 1.50 base mill, several mills are now selling at 1.40 base mill.

These sheets may be considered as supplementary to brief on bar iron already filed by me with the Committee on Ways and Means.

Very truly, yours,

JAMES LORD,
President American Iron and Steel Refining Co.

EXHIBIT A.

Cost of making merchant refined bar iron.

FORMULA.

50 per cent No. 1 wrought scrap, at $19.50		$9.75
50 per cent muck bar, at $28		14.00
Cost of material		23.75

CONVERSION.

Direct and tonnage labor	$3.03	
Indirect labor	1.97	
800 pounds coal, at $2.75	.98	
Incidental expenses, including fire brick, masons, sand, oil, light, repairs, firing boilers	1.05	
	7.03	
Taxes, insurance, depreciation, and replacement estimated	.30	
Furnace waste, 8½ per cent on $23.75	2.02	
		9.35
		33.10

Approximately 1.48 cents plus per pound.
Base selling price January 1, 1909, 1.50 cents per pound.

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EXHIBIT B.

Cost of making ordinary refined iron.

FORMULA.

50 per cent No. 1 wrt. scrap, at $19.50	$9.75
50 per cent scrap bar, at $24.02	12.01
Cost of material	21.76
Conversion, as detailed by Exhibit A	9.35
	31.11

Approximately $1.39 per pound.
Base selling price January 1, 1909, $1.45 per pound.

EXHIBIT C.

Cost of making refined bar iron (without admixture of scrap material).

FORMULA.

Muck bar, made from pig iron	$28.00
Conversion, as detailed by Exhibit A (except furnace waste)	7.33
Furnace waste, 9 per cent of $28	2.52
	37.85

Approximately $1.69 per pound.
Base selling price January 1, 1909, $1.75 per pound.

EXHIBIT D.

Cost of muck or puddled bar.

Tonnage and direct labor	$5.38
Indirect labor	.72
Incidentals: Fire brick and masons; blacksmith, tools, and tongs; rolls and roll turning; grinding ore and fire brick; making bottom	1.21
400 pounds of ore, at $5.75	1.03
1,900 pounds coal, at $2.75	2.33
Furnace waste, 5 per cent of $16.50	.83
	11.50
Cost of grey forge pig iron	16.50
Cost of 1 ton muck bar	28.00

January 1, 1909.

EXHIBIT E.

Cost of making busheled scrap bar.

Direct and tonnage labor	$3.07
Indirect labor	1.50
Incidentals: Fire brick and masons; blacksmith, tools, and tongs; rolls and roll turning; grinding fire brick	.58
Coal, 900 pounds, at $2.75	1.11
Furnace waste, 11 per cent of $16	1.76
Total cost of conversion	8.02
Add cost of scrap material	16.00
Total cost of scrap bar	24.02

Used for rerolling into refined iron bars.

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STEEL RAILS.

[Paragraph 130.]

THE CAMBRIA STEEL COMPANY, OF PHILADELPHIA, PA., SUBMITS ITS INCOME ACCOUNT FOR ONE YEAR.

ARCADE BUILDING,
Philadelphia, January 30, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We submit herewith our income account presented at our shareholders' annual meeting for the year 1906; also the facts of our rail business for the same period. The amount paid for labor, in connection with the manufacture of rails, shows the direct expenditure for labor in manufacturing, or about 39 per cent. The remaining 61 per cent of the cost covers amount paid for purchased metal, ores, fuel, supplies, transportation, etc., of which a large proportion is labor.

The principal products of the plant are steel rails, structural shapes (plain and fitted for buildings), steel plates, bar steel, locomotive and car forgings, steel cars, and a large line of agricultural steel and other specialties.

The total tonnage sold and shipped in 1906 was 789,275 gross tons. The net earnings from all the manufacturing operations of the company, after deduction for depreciation, were $4,347,704, or an average profit of $5.51 per ton. This profit includes profits on all the stages of manufacture which are legitimate and justifiable, including a large percentage of the ore and fuel which is owned exclusively by this company and which is figured at net cost to the company. In declaring the total earnings as stated, current repairs and maintenance of plant are included and a proper deduction has been made for annual depreciation. The paid-in capital of the company is $45,000,000 and the return is 9.67 per cent under the very favorable conditions prevailing in 1906. On the item of rails the profit was $3 per ton. The above facts have all been furnished to the Department of Commerce and Labor, and if desired, the department can verify them.

First. We wish to submit to the committee the fact that, while it may be possible for a few of the larger steel manufacturing concerns to stand a reduction in the rates in the Dingley tariff, except on orders for Gulf and Pacific coast points, other concerns which buy all or nearly all of their raw materials will be driven out of business. Companies which control their own raw material, railroad lines, and lake transportation to their works have other advantages, due to their great aggregations of capital, and have works located at the various sales centers of business, all of which advantages enable them to manufacture and market their products at a considerably less cost per ton than any of their competitors, will survive.

Second. Any material reduction in the duties on steel can only be met by corresponding reductions in the wages paid for producing the ores, coal, coke, and limestone, and for labor in the several manufacturing operations.

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Third. We feel sure that the committee does not wish to further consolidate the steel manufacture of the country in fewer hands than now and thus reduce competition, which will certainly be done by radical reductions in the steel schedule.

Respectfully submitted

POWELL STACKHOUSE,
President Cambria Steel Company.

EXHIBIT A.

Analysis of cost of standard rails produced by Cambria Steel Company in 1906.

	Total cost to Cambria.	Labor in mining and manufacturing.	All purchased metals, ores, fuels, supplies, transportation, etc.
Ore (176 per cent)	$4.52	$0.93	$3.59
Coke (113 per cent)	2.97	1.25	1.72
Limestone (54 per cent)	.80	.22	.58
Smelting	2.03	1.41	.62
Pig iron produced	13.77	4.57	9.20
Average (including pig iron purchased)	14.70	4.58	10.12
Average (including pig iron and spiegeleisen purchased)	15.65	4.75	10.90
Bessemer ingots	18.68	6.25	12.43
Bessemer blooms	20.70	7.19	13.51
Standard rails (mill cost)	24.34	9.42	14.92
Administrative and selling expenses	.56	.33	.23
Total cost	24.90	[a] 9.75	[b] 15.15

[a] 39 per cent. [b] 61 per cent.

EXHIBIT B.

To the shareholders of Cambria Steel Company:

The board of directors submits herewith a report of the operations of your company for the twelve months ending December 31, 1906:

Net earnings from operations			$4,897,704.03
To which add receipts from rents, income from investments, interest on bank accounts, etc			510,971.40
			5,408,675.43
Deduct fixed charges under Cambria Iron Company lease, interest on term notes, and incidentals			444,672.28
Net income twelve months			4,964,003.15
Total to credit income account December 31, 1906			4,964,003.15
Which has been appropriated as follows:			
Dividend No. 10, paid August 15, 1906	$675,000		
Dividend No. 11, paid February 15, 1907	675,000		
		$1,350,000.00	
Set aside to betterment and improvement account		3,000,000.00	
Set aside to general depreciation fund		550,000.00	
			4,900,000.00
Balance carried to credit of profit and loss account			64,003.15

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The profit and loss account, which had a credit December 30, 1905, of ..		$2,278,709.87
Has been increased by balance of income account transferred as above..		64,003.15
		2,342,713.02
And by collection of accounts charged off in previous years.	$17,944.37	
Reduced by bad or doubtful accounts in 1906.....	3,429.98	
		14,514.39
Leaving balance to credit of profit and loss account, December 31, 1906		2,357,227.41

The assets and liabilities of your company, as shown by your general books, are as follows:

ASSETS.

Property, works, coal, ore lands, etc., subject to payment of $338,720, annual rental under Cambria Iron Company lease for 999 years, being 4 per cent on $8,468,000 Cambria Iron Company's stock.....		$33,090,304.68
Plant additions to December 30, 1905.....	$7,027,783.30	
Plant additions, year ending December 31, 1906.....	2,289,696.08	
		9,317,479.38
Total.....		42,407,784.06
Equipment additions.....		728,168.29
Real estate, titles in Cambria Steel Company.....		298,808.39
Sundry securities, principally stock in ore and steamship companies..		1,515,563.00
Inventory account, materials, supplies, and products.....		7,983,108.55
Special deposit.....	$1,250,000.00	
Cash.....	692,653.84	
		1,942,653.84
Accounts receivable.....		4,311,205.64
Bills receivable.....		285,100.19
		59,472,391.95

LIABILITIES.

Capital stock [a].....	45,000,000.00
General depreciation fund.....	2,650,000.00
Betterment and improvement fund.....	7,000,000.00
Accounts payable, including dividend No. 11, $675,000.....	2,465,164.54
Profit and loss account.....	2,357,227.41
	59,472,391.95

The last of the $3,500,000 term notes, issued December 15, 1900, were paid on December 15, 1906.

STEEL.

E. H. GARY, CHAIRMAN OF THE UNITED STATES STEEL CORPORATION, SUBMITS INFORMATION RELATIVE TO CANADIAN STEEL MAKING AND BOUNTIES PAID.

EMPIRE BUILDING, NEW YORK,
January 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR SIR: The following item appeared in the Journal of Commerce of this city on January 21:

According to the Canadian Gazette the general manager of the Dominion Iron and Steel Company has stated that this company can furnish steel to the world's markets

[a] The authorized capital stock named in charter is $50,000,000, of which $45,000,000 have been issued. The remaining $5,000,000 of stock is unissued, and can only be issued at not less than par.

at $6 per ton less than Pittsburg (which for purposes of comparison is selected as the cheapest producer), for the following reasons: The cost of assembling the raw materials at Pittsburg is at the lowest estimate, $3.25 per ton, to which must be added the cost of conveying the manufactured iron to the seaboard, namely, $2 per ton, while the cost of assembling at Sydney, which is on the seaboard, and 1,000 miles nearer the great markets, is given at 79½ cents per ton, the difference in favor of Sydney being calculated at $6 per ton as stated.

The Canadian Gazette referred to in the article is an official paper published in London.

The iron and steel industry in Canada is fostered by bounties which operate as follows:

	Year.	On proportion made from Canadian ore.	On proportion made from foreign ore.
		Per gross ton.	*Per gross ton.*
Pig iron	1908	$2.352	$1.232
	1909	1.904	.784
Puddles iron bars from Canadian pig iron	1908	1.848	.....
	1909	1.176	.....
Steel, manufactured in Canada from ingredients of which not less than 50 per cent of the weight thereof consists of pig iron made in Canada	1908	1.848	.....
	1909	1.176	.....
Rolled round wire rods, not over ⅜ inch in diameter, manufactured from steel produced in Canada from ingredients of which not less than 50 per cent of the weight thereof consists of pig iron made in Canada, when sold to wire manufacturers for use or when used in making wire in their own factories in Canada, on such wire rods made after December 31, 1906	.....	.....	6.72

In addition to the above bounties the Canadian manufacturers of iron and steel are protected by a duty of $2.80 per gross ton on pig iron and $7.84 per ton on steel rails and structural steel.

Yours, very truly,

E. H. GARY,
Chairman United States Steel Corporation.

STEEL PRODUCTS.

ONE OF THE EMPLOYEES AND PROFIT SHARERS OF THE UNITED STATES STEEL CORPORATION THINKS VARIOUS STATEMENTS MADE ARE MISLEADING.

9712 AVENUE M, CHICAGO, ILL.,
January 20, 1909.

COMMITTEE ON WAYS AND MEANS,
House of Representatives.

HONORABLE SIRS: Anent the framing of a new tariff schedule, there appears in La Follette's Weekly a synopsis of Mr. Carnegie's statement before your committee that the average profit of the United States Steel Corporation during the year 1907 was $15 per ton on every ton of iron and steel it sells.

Mr. Carnegie is or should be too well informed on the steel business to admit of the above being an unintentional mistake; therefore it must have been a deliberate falsehood.

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As one of the 35,000 employees who have invested their earnings with this corporation on its profit-sharing plan, I protest against this statement of the man of Homestead and indigent libraries being allowed to go before the people uncontradicted.

A reference to the 1907 report of the corporation shows the net earnings, after deducting replacement and depreciation, as $135,000,000 and not $150,000,000, as Mr. Carnegie is said to have stated.

This income was derived from the sale of 10,000,000 tons of steel partly, not wholly, as LaFollette infers.

A glance at page 18 of the corporation report will show an additional sale of 2,000,000 barrels of Portland cement, 31,000 tons of spelter, and 24,000 tons of sulphate of iron.

In addition, are included the earnings of the construction department of the American Bridge Company.

Another source of earnings is from freightage from its own railroads, and those earnings would accrue to the company if the steel plants were owned by independent manufacturers.

I wish to call your attention to the fact that the corporation had to mine or manufacture 60,000,000 tons of unfinished product before it could take profit from sale of its completed product.

On page 23 you will note that $160,825,822 was paid out in salaries and wages, or, as Mr. Carnegie would figure, $16 per ton as the average cost of producing and selling.

Does Mr. Carnegie, La Follette, and that class propose that if a farmer chance to operate a gristmill and bakeshop that out of the three businesses he is entitled only to a moderate profit on doughnuts? Under that condition what becomes of the man that raises wheat to sell, or manufactures flour alone, or is but a baker?

If you are to limit the Steel Corporation to a moderate profit on finished product, how about the independent who makes pig iron for sale?

In conclusion, will say that I am for moderate reductions of the tariff on all lines of industrial material and necessities, but we, who have invested our earnings with this company or corporation feel that unfair statements relating to it should not go uncontradicted.

Likewise, even as Laocöon, we "fear the Greeks bearing gifts," and suspect that Mr. Carnegie would view our losses with perfect equanimity if the corporation should be compelled to disintegrate and the properties fall again into his hands as holder of the first mortgage bonds.

From an employee's standpoint, the corporation is one of the most advanced in its aims for aiding an employee to attain a competence. It adopted publicity of its own accord, and in most essentials is a model of efficiency.

Why the target of so much misrepresentation?

Sincerely,

F. H. OSBORN.

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IRON AND STEEL SHEETS.

[Paragraphs 131–133.]

A COMMITTEE OF IRON AND STEEL SHEET MANUFACTURERS SUBMITS STATEMENT EMBODYING ITS VIEWS RELATIVE TO TARIFF LEGISLATION.

STEUBENVILLE, OHIO,
January 18, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of sheet manufacturers representing 90 per cent of the capacity of the United States, exclusive of the United States Steel Corporation mills, held in Pittsburg on December 10 last, the undersigned were appointed as a special committee on tariff, with instructions to present to your honorable body such information as you may require or desire pertaining to the costs and conditions prevailing in this business.

We accordingly submit herewith for your consideration such data, including costs of production and selling prices, as we have been able to procure bearing on the subject, and our reasons based thereon for asking that adequate protection be accorded these products in the new tariff measure soon to be enacted by Congress.

BLACK SHEETS.

Attached hereto will be found a sheet marked "Exhibit A," which sets forth in detail what can be regarded as the average cost of producing No. 24 gauge steel sheets (common or black) in the Pittsburg-Youngstown-Wheeling district, which has probably the lowest cost of production for the commodity under consideration of any point in the United States, and the correctness of which is duly certified to by parties actively engaged in the business; it is of course being understood that the determinations arrived at are not necessarily the cost of any particular plant, but are what the parties certifying regard as a fair average cost for the district.

In the compilation of these costs sheet bars have been figured on the basis of $27.50 per gross ton delivered to point of consumption, this being their present selling price and representing not more than the average price for the last several years, the price for 1907 averaging about $30. In this connection it would seem well to explain that more than half of the companies engaged in the manufacture of sheets purchase their raw material, i. e., sheet bars, in the open market, having no facilities for making them.

No. 24 gauge has been selected as the figuring basis for the reason that it is a standard one and the costs of manufacture of the other gauges are relative, and they are proportionately protected by the present tariff.

No cost exhibit has been submitted for iron sheets, for the reason that very few are made, and besides, the cost of production is in excess of that for steel sheets.

It will be noted that, as shown by Exhibit A, the cost of No. 24 gauge black steel sheet is $47.90 per gross ton, or $2.14 per hundred pounds.

For reasons which will be apparent to you it has been found impossible to procure specific information as regards the detailed cost of

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manufacture of foreign sheets, but we are informed—and believe reliably so—that the cost of production in England to-day for No. 24 gauge is about $34.25 per gross ton, or $1.52½ per hundred pounds, the cost in both Germany and Belgium being lower. But in the absence of full data bearing on this point we can only judge the cost of manufacture by the selling price, and at the present time the English price of No. 24 gauge at Liverpool is $1.65 per hundred pounds.

Assuming that the cost of production is not greater than the selling price, and comparing with the domestic costs, we arrive at the following results, all based on No. 24 guage:

NEW YORK.	Per 100 pounds.	
Domestic mill cost	$2.14	
Freight	.16	
		$2.30
English selling price, Liverpool	1.65	
Freight	.10	
		1.75
Difference per 100 pounds		.55
NEW ORLEANS AND GALVESTON.		
Domestic mill cost	2.14	
Freight	.30	
		2.44
English selling price, Liverpool	1.65	
Freight	.11	
		1.76
Difference per 100 pounds		.68
PACIFIC COAST.		
Domestic mill cost	2.14	
Freight	.95	
		3.09
English selling price, Liverpool	1.65	
Freight	.35	
		2.00
Difference per 100 pounds		1.09

The difference, as indicated by the foregoing, of 55 cents per hundred pounds, or practically six-tenths cent per pound between the domestic manufacturer's cost f. o. b. New York (without profit) and the English selling price at the same point (including presumably some profit) shows that any material reduction in the present rates would allow the latter to successfully invade this important market.

But in considering the Pacific coast situation we find conditions even worse, as under the present rates it would show the advantage to be in favor of the foreign manufacturer, but not sufficient, perhaps, to justify him in establishing warehouses there and cover the cost of distribution, but any recession, even though slight, from present rates would undoubtedly serve as a stimulant which would result in putting this market in his possession—not only along the coast, but for a considerable distance inland as well.

GALVANIZED SHEETS.

In the manufacture of galvanized sheets, black steel sheets, such as are treated upon in the preceding paragraphs of this brief, constitute the base. These black sheets after being pickled and cleaned

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are coated with spelter, the process of pickling and coating being very similar to that employed in the manufacture of tin plate. The domestic cost of manufacturing galvanized sheets above the black sheet or base is, including labor, spelter, etc., approximately $14.50 per ton, or $5.25 per ton exclusive of spelter, and the extra duty of two-tenths cent per pound accorded this product under the present tariff (over the same gauges of black sheets) was intended to cover the increased cost of manufacture in this country (from the base sheet to the finished galvanized product) over that obtaining in foreign countries, including difference in cost of labor, as well as the difference in cost of pickling and coating supplies; and from the best information we have been able to obtain on the subject we believe that the slight additional protection accorded galvanized sheets does not more than cover this difference in costs.

All that has been said in that part of our brief pertaining to black sheets will apply with equal or greater force to the galvanized product, and any changes from present rates should be proportionate.

With regard to prices, it might be cited that in 1905 there was formed in England a combination of manufacturers known as the "British Galvanized Sheet Iron Association." This association is a very powerful one and was formed with the view of fostering the English export trade in galvanized sheets, the idea being to keep the English home price at a point that would show a satisfactory profit to the manufacturer, distributing the surplus production in foreign markets and at such prices as could be obtained; the loss, if any, in case it was found necessary to sell at a price below cost of production, to be absorbed by the members of the association pro rata. It is readily apparent that, while such an arrangement is simplicity itself, its effectiveness for disposing of tonnage produced in excess of home-market requirements and gaining a foothold in foreign markets is unquestionable.

All things considered, it is clearly apparent that only a slight reduction in present tariff rates would be required to enable the foreign manufacturer to use our markets as a dumping ground for his surplus production, thus displacing tonnage that otherwise would be made in this country; and to meet this situation, should it arise, it would be necessary for the domestic producer to effect a reduction in his costs, which would undoubtedly mean lower wages not only to the workmen employed directly in the mills, but in the production of materials and supplies used by the sheet manufacturer as well.

In order that the extent of the sheet industry may be in a manner measured, attention is invited to the following statistical data:

Number of companies actively engaged in the business		25
Number of roll trains operated		364
Number of galvanizing pots operated		90
Number of employees (estimated)		21,000
Annual pay roll (estimated)		$20,000,000
Annual production of black sheets	gross tons	$1,350,000
Tonnage galvanized	do	$600,000

The process of manufacture from ore in the ground to finished sheet product, in the tonnage shown above, requires the following raw materials:

Sheet bars	gross tons	1,600,000
Pig iron and scrap required to produce above tonnage of bars:		
Pig iron	gross tons	1,700,000
Scrap	do	425,000

Coke required in the production of above tonnage of pig iron...net tons..	2,125,000
Coal required in the production of above tonnage of coke.....do....	3,500,000
Limestone required in production of above tonnage of pig iron.gross tons..	850,000
Ore required in the production of above tonnage of pig iron.....do....	3,125,000
Coal required throughout different stages of manufacture for steam and heating purposes.....net tons..	3,225,000
Spelter for coating.....do....	75,000
Total estimated labor cost from ore in the ground to and including sheet bar.....	$11,000,000
Labor cost in finishing (as shown above).....	$20,000,000
Total labor cost.....	$31,000,000
Estimated transportation charges on above tonnages.....	$9,500,000

As will be noted by reference to cost Exhibit "A", the most important item in the cost of manufacture of sheets is that of wages, and we believe it can be truthfully said that in no branch of the manufacturing business are the workmen more intelligent and better paid, the average wage, including men and boys, being approximately $3 per day.

Owing to the peculiar nature of the process of manufacture, a highly skilled class of workmen are absolutely necessary, and in no branch of the steel business is the proportion of English speaking workmen so large as it is in that of the making of sheets. Automatic machinery to no considerable extent can be utilized, and as a matter of fact the improvements in the machinery employed and in the process of manufacture for many years past have been very slight, although efforts in this direction have constantly been made by the leading engineers of the country.

The inability to make use of automatic machinery in the manufacture of sheets has prevented an increase in the tonnage output and a corresponding reduction in cost of manufacture, and there are no indications of any changes in this regard in the future.

At the meeting held on December 10, referred to, it was the consensus of opinion of those present that so long as Congress would doubtless decide that a revision of the tariff on steel products was necessary, the changes should be kept within reasonable limits, and that any reduction in present rates in excess of from 15 per cent to 20 per cent would result in confusion in the business necessitating a lower cost basis, which would undoubtedly mean lower wages to the workman.

It was believed that the rates now applying on the products covered by articles No. 131 and No. 132, metal schedule, are consistent, and any changes therefrom should be made proportionate.

It is hoped that your committee may be able to see its way clear to recommend a reduction, if any, not greater than that suggested in the foregoing, thereby entitling it to the thanks of all directly or indirectly engaged in the industry for which we are speaking, including stockholders in the companies represented, as well as the workmen employed in the mills.

Respectfully submitted.

ISAAC M. SCOTT,
Chairman.

JONATHAN WARNER,
W. S. HORNER,
Committee.

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EXHIBIT A.

Cost of producing No. 24 gauge black steel sheets.

	Cost per ton.
Sheet bars, at $27.50 gross ton, 2,531 pounds (1.13 per cent)	$31.07
Credit:	
Sheets (2,240 pounds)	1.67
Scrap (274 pounds)	
Waste (17 pounds)	
Net cost of material	29.40

	Cost per ton. Labor.	Cost per ton. Other charges.	
Rolls		$0.40	
Coal for heating and annealing		.87	
Superintendent, foreman, and clerks	$0.04		
Tonnage labor	8.46		
Day hands (regular)	1.66		
Extra day hands	.23		
Unloading sheet bars	.04		
Shearing sheet bars	.11		
Weighing and delivering sheet bars	.12		
Unloading coal and removing ashes	.03		
Extra fireman for heating furnaces	.03		
Engineers and assistants	.09		
Roll turning and polishing	.06		
Changing and handling rolls	.04		
Weighing and handling finished product	.23		
Scale and cinder labor	.04		
Crane operators	.13		
Scrap boys	.12		
Loading shearings and bar ends	.02		
Bundling and stenciling	.04		
Warehouse and shipping labor	.39		
Reshearing	.07		
Total producing labor	11.95		
Labor in repairs	.10		
Labor in maintenance	.01		
Material in repairs		.17	
Material in maintenance		.15	
Hot and cold neck grease		.12	
All other lubricants		.04	
Brasses		.05	
General works expense	.70		
Steam	.16	1.09	
Water	.01		
Electric light and power	.04		
Stable expense	.02		
General plant depreciation		1.00	
General expense (selling, taxes, insurance, interest, discounts, etc.)		1.62	
	12.99	5.51	18.50
Total cost of 1 gross ton (2,240 pounds) No. 24 gauge black sheets			47.90
Cost of 100 pounds No. 24 gauge black sheets			2.14

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We hereby certify that in our judgment the foregoing fairly exhibits the average cost of manufacture of No. 24 gauge black steel sheets in the Pittsburg-Youngstown-Wheeling district.

LA BELLE IRON WORKS,
ISAAC M. SCOTT, *President.*
THE EMPIRE IRON AND STEEL COMPANY,
JONATHAN WARNER, *President.*
THE YOUNGSTOWN SHEET AND TUBE COMPANY
J. A. CAMPBELL, *President.*

TIN PLATE.

[Paragraph 134.]

INDEPENDENT TIN-PLATE MANUFACTURERS FILE A SUPPLEMENTAL BRIEF RELATIVE TO TIN-PLATE INDUSTRY.

WASHINGTON, D. C., *February 15, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR:

Paragraph 134, TIN PLATES, TERNE PLATES, AND TAGGERS' TIN.

(Verbal presentation November 25, 1908, by William U. Follansbee.)

Present duty	1.5 cents per pound.
Recommended reduction 20 per cent	.3 cents per pound.
Suggested new duty	1.2 cents per pound.

This brief represents the independent manufacturers, as follows:

Number companies, 12; aggregate capital, $10,000,000; total mills, 103; capacity, tons, 300,000; capacity, boxes, 6,000,000; total employees, 7,000; annual pay rolls, $5,000,000.

The entire tin-plate industry of this country employs direct about 20,000 hands and produces about 600,000 tons, or 12,000,000 boxes, valued at $43,000,000, which requires—

1,400,000 tons ore, 850,000 tons coke, 400,000 tons limestone, 750,000 tons pig iron, 700,000 tons steel; total labor, including transportation	$8,000,000
600,000 tons tin plate; total labor, including transportation	13,000,000
Total wages per annum paid American workmen dependent upon the tin-plate industry, over 60 per cent of which, as shown, is paid direct in making the tin plate alone	21,000,000

The suggested duty of 1.2 cents per pound is absolutely necessary to continue the tin-plate industry, fairly protect labor, and permit a reasonable return upon the capital invested. This is required because of (I) lower foreign labor; (II) lower cost foreign raw materials; (III) smaller capital foreign investment; (IV) freight costs from mills to consuming points.

These items are shown in detail, as follows:

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I. LOWER FOREIGN LABOR.

Standard of comparison.—Skilled labor in United States: Wage scales of Amalgamated Association of Iron, Steel and Tin Workers and Tinplate Workers' International Protective Association of America.

Skilled labor in Wales: Wage scales of Tin Plate Section Dock, Wharf, Riverside and General Workers' Union of Great Britain and Ireland.

General labor in United States: As actually paid by a most modern, well-equipped mill in the Pittsburg district taken from the pay rolls for the entire year 1907.

General labor in Wales: Estimated at one-half the rates paid in United States. (Common labor in Wales is unquestionably less than the rate shown by this estimate.)

	Per gross ton.	
	United States.	Wales.
Hot rolling	$9.76	$4.555
Opening	.425	.305
Pickling	.485	.275
Annealing	.87	.666
Cold rolling	.525	.20
General mill	3.325	1.66
White pickling	.375	.278
Tinning	1.325	1.245
Washing	1.555	1.245
Rising	.88	.466
Assorting	.52	.415
Boxing	.465	.20
General tin house	2.44	1.22
	22.95	12.73

$22.95 minus $12.73 equals $10.22 per 2,240 pounds, equals 45.6 cents per 100 pounds.

II. LOWER COST FOREIGN RAW MATERIAL.

Steel bars from which tin plate is rolled, present market prices as shown by trade quotations:

Cost at mills in United States	$27.50
Cost at mills in Wales	21.50
Difference per 2,000 pounds finished tin plate	[a] 6.00

III. SMALLER CAPITAL FOREIGN INVESTMENT.

The cost of plant in the United States is just about 50 per cent greater. Cost of labor, as shown, nearly double. Raw material charges nearly 30 per cent higher. Interest charges about double.

(1) To produce 25,000 tons per annum requires capital investment—

	United States.	Wales.
In plant	$500,000	$333,333
In labor, raw and finished material, accounts receivable, etc	500,000	250,000
	1,000,000	583,333
	583,333	
Greater in United States	416,667 at 6% =	25,000

Equivalent to per ton output $1=5 cents per 100 lbs.

[a] Equals 30 cents per 100 pounds.

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	United States.	Wales.
(2) Annual charges repairs, upkeep of plant and depreciation	$50,000	$25,000

Greater in United States...$25,000=per ton output $1=5 cents per 100 lbs.

IV. FREIGHT COSTS FROM MILLS TO CONSUMING POINTS.

Fully two-thirds of the consumption of tin plate in the United States is at the seaboard, New York, Philadelphia, Boston, Baltimore, New Orleans, San Francisco, etc.

Freight from mills in Pittsburg district at shipping weight of 106 pounds, including package as well as contents, as required by the railroads.

To New York	at freight rate of 18	cents equals 19 cents per 100 lbs.
To New Orleans	at freight rate of 34	cents equals 34 cents per 100 lbs.
To San Francisco	at freight rate of 66.2	cents equals 70 cents per 100 lbs.
Average		41 cents per 100 lbs.

Freight from mills in Wales located at seaports at common rate of 9 shillings 6 pence per 2,240 pounds of net contents, weight of package not included as permitted by steamship lines to New York, equals 10 cents per 100 pounds.

A large portion of the tin-plate consumption is seasonable and in regular sizes for which the requirements can be anticipated by many months, while the size and character of boxes of tin plate make it particularly desirable for ballast, thus permitting as low water freight cost from Wales to New Orleans and San Francisco as to New York, accordingly the freight item from mills to consuming point is very important and may show as high as 60 cents per 100 pounds differential in favor of Wales. With any spirit of fairness to American mills it would appear this factor should not be considered at any less than the average from American mills to seaboard points, as shown above, of 41 cents per 100 pounds.

RECAPITULATION.

I. Lower foreign labor	45.6	cents per 100 pounds
II. Lower cost foreign raw materials	30	cents per 100 pounds
III. Smaller capital foreign investment	10	cents per 100 pounds
IV. Freight costs from mills to consuming points, average	41	cents per 100 pounds
	$1.266	per 100 pounds
Equivalent to	1.27	cents per pound.

The suggested new duty of 1.2 cents per pound is accordingly only fairly protective and by no means prohibitive.

The establishment of the American tin-plate industry under a reasonable tariff most emphatically has not increased the cost to the domestic consumer, but on the contrary has unquestionably reduced the price, as shown below:

	Welsh tin-plate duty added.		American tin plate.
	1872–1878.	1879–1891.	1904–1908.
Duty	15 per cent ad valorem	1 cent per pound	1.5 cents per pound
Average price	$7.38	$4.81	$3.48.

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The productive capacity of American mills considerably exceeds the consumption of the tin plate, showing frequent shut downs and keen competition.

The request of the master sheet-metal workers association, Syracuse, N. Y., for free charcoal iron tin plate for roofing purposes (Tariff Hearings, first print No. 46, page 6801), while possibly well intended, is not tenable:

1. As it is ordinarily wholly impossible to distinguish charcoal iron tin plate from other qualities it would encourage deception and evasion of the tariff.

2. United States consular reports show no roofing plates are made in England or Wales from charcoal iron.

3. Several American manufacturers are producing charcoal iron tin plate and the industry would be destroyed.

4. Tin plate for roofing purposes is being produced regularly by American mills of a quality better than any other nation at any time. This product can be secured under guarantees of wearing quality never possible from the Welsh makers.

CONCLUSION.

The American tin-plate industry is the youngest in the iron and steel line. It has only been established by much travail. It has been exceptionally adversely treated by former tariffs. It is the item by far most greatly influenced by labor and the peculiarity of greatest consumption at seaboard points. Although begun only seventeen years ago under the McKinley tariff of 2.2 cents per pound the suggested new duty of 1.2 cents shows a reduction of 45 per cent. Any lower duty would entail great hardships upon American labor and capital and tend to cripple the industry.

Respectfully submitted.

Wm. U. Follansbee, of Follansbee Brothers Co., mills at Follansbee, W. Va.; Chas. E. Pope, of Pope Tin Plate Co., mills at Steubenville, Ohio; E. T. Wier, of Phillips Sheet & Tin Plate Co., mills at Clarksburg, W. Va.; E. R. Crawford, of McKeesport Tin Plate Co., mills at McKeesport, Pa.—Committee.

TOOL STEEL.

[Paragraph 135.]

CHARLES P. SEARLE, OF BOSTON, MASS., THINKS THAT THE REQUEST FOR AN INCREASE OF DUTY ON HIGH-SPEED TOOL STEEL SHOULD BE DISREGARDED.

50 CONGRESS STREET, BOSTON,
January 19, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR MR. PAYNE: I have at hand a catalogue of the Crucible Steel Company of America in German, issued by the Hamburg agency, and I desire to draw attention especially to the statements made in pages 6, 7, 8, 9, 12, and 27 thereof. The catalogue in substance states that

the Crucible Steel Company of America manufactures various kinds of steel mentioned in the catalogue, especially drawing attention to the fact that the high-speed tool steel manufactured by the Crucible Steel Company of America is the best high-speed tool steel in the market, and states on page 7 that the Americans have gone ahead in the manufacture of high-speed tool steel and have succeeded in interesting capitalists in the same, and that the question of simplifying the production and the advancement of the quality have been solved, and that there has been a great improvement in the quality of high-speed steel, and that the Crucible Steel Company of America has made a specialty of producing the highest class of high-speed tool steel and thinks that the experiments that have been made by the Americans have resulted in giving to the trade a steel of the very highest quality. This steel is sold in Germany in competition with the steel made by the German manufacturers and shows most conclusively that the claim of the Crucible Steel Company of America that duties should be advanced upon high-speed tool steel are entirely unfounded and demonstrates beyond any question that no protection whatever is needed upon any classes of steel mentioned in the catalogue, and we suggest that the highest rate to be imposed in the new tariff law upon any steel of any value be 3½ cents per pound; indeed, no protection whatever is necessary except for a matter of revenue and, if the Government is to derive any revenue at all for steel there must be some reduction from the present rates of duty; if not, within five years none of the various classes of steel mentioned in the catalogue of the Crucible Steel Company of America can be imported into this country.

Very respectfully submitted.

CHARLES P. SEARLE.

THE CRUCIBLE STEEL COMPANY OF AMERICA, PITTSBURG, PA., SUBMITS STATEMENT RELATIVE TO CRUCIBLE STEEL AND HIGH-SPEED TOOL STEEL.

PITTSBURG, PA., *January 26, 1909.*

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Washington, D. C.

DEAR SIR: I desire to present as briefly as possible the wishes of our company in regard to the new proposed tariff, and will begin by stating that the principal grades manufactured by us are covered by paragraph 135 of the Dingley tariff bill, as follows:

Steel ingots, cogged ingots, blooms, and slabs, by whatever process made; die blocks or blanks; billets and bars and tapered or beveled bars; mill shafting; pressed, sheared, or stamped shapes; saw plates, wholly or partially manufactured; hammer molds or swaged steel; gun-barrel molds not in bars; alloys used as substitutes for steel in the manufacture of tools; all descriptions and shapes of dry sand, loam, or iron-molded steel castings; sheets and plates and steel in all forms and shapes not specially provided for in this act, all of the above valued at one cent per pound or less, three-tenths of one cent per pound; valued above one cent and not above one and four-tenths cents per pound, four-tenths of one cent per pound; valued above one and four-tenths cents and not above one and eight-tenths cents per pound, six-tenths of one cent per pound; valued above one and eight-tenths cents and not above two and two-tenths cents per pound, seven-tenths of one cent per pound; valued above two and two-tenths cents and not above three cents per pound, nine-tenths of one

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cent per pound; valued above three cents per pound and not above four cents per pound, one and two-tenths cents per pound; valued above four cents and not above seven cents per pound, one and three-tenths cents per pound; valued above seven cents and not above ten cents per pound, two cents per pound; valued above ten cents and not above thirteen cents per pound, two and four-tenths cents per pound; valued above thirteen cents and not above sixteen cents per pound, two and eight-tenths cents per pound; valued above sixteen cents per pound, four and seven-tenths cents per pound.

The volume of the business is not very large and amounts to perhaps 300,000 or 400,000 tons a year. It is a class of steel that is higher in price and superior in quality to the ordinary steel called "bar steel." Most of it is crucible and refined high-grade, open-hearth steel. The present duty permits of large importations and is not sufficiently protective. Makers in foreign countries sell to this country at lower prices than they sell to their home consumers and use this country very often as a dumping ground. Our industry in this way has been made to suffer for years, and the English and German manufacturers do quite a large business in the United States, selling very often at prices which we can not meet.

The belief that a reduction in rates is inevitable was expressed by Mr. William G. Park, the late chairman of this company, when he appeared before the Committee on Ways and Means and asked to have it made as light as possible, say 10 per cent off existing duties. We also desire to have a duty placed upon high-speed steel, a new article of manufacture, for which there is no protection in the Dingley tariff bill. We propose the following scale, and name figures which we think would cover this description of steel:

Steel selling at 20 cents per pound and not over 25 cents per pound, 7 cents per pound; above 25 cents and not over 30 cents per pound, 10 cents per pound; above 30 cents and not over 36 cents per pound, 15 cents per pound; over 36 cents per pound, 25 cents per pound.

The article largely used in the manufacture of this grade of steel is metallic tungsten, which sells at about 75 cents per pound, and this high grade of steel has no duty on it other than the 4.7 cents per pound which is now exacted on all steel valued above 16 cents per pound.

The above expresses the views of all the other manufacturers with whom I have talked regarding the grades of steel manufactured by them, and I believe would be universally satisfactory.

Very truly, yours,

CRUCIBLE STEEL COMPANY OF AMERICA,
FRANK B. SMITH, *President.*

COLUMBIA TOOL STEEL CO., CHICAGO HEIGHTS, ILL., THINKS DUTY ON HIGH-GRADE STEEL SHOULD BE INCREASED.

CHICAGO HEIGHTS, ILL., *February 26, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Regarding proposed change in paragraph 135 of the steel schedule referred to in statement of B. M. Jones & Co., Houghton & Richards, and Edgar T. Ward & Sons, Boston, Mass. Inas-

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much as I am quoted in this article, I feel justified in asking your consideration of the following points:

In the first place the article referred to is contradictory. The article states that if the duties are increased American mechanics will be compelled to use inferior tools, intimating, of course, that the foreign product is a better quality than maufactured in this country.

Then they quote my article and affirm my statement that European steels can be duplicated or excelled in this country by half a dozen tool-steel makers and sold at a lower price. In explanation of this peculiar condition, you will understand that up to within the last sixty-five or seventy years there was no tool steel whatever manufactured in the United States and prior to that time the material was supplied almost entirely from England. The result was that the English steels built up a prestige the effects of which are still apparent, although conditions have changed, and there is no question but that the American steel maker to-day leads the world.

If it were possible for all tool steel entering the United States to be classified according to its quality as shown by analysis, there would be no need of a protective tariff. The traditions built up prior to the manufacture of tool steel in America still have such a strong hold among certain classes that when a standard European make of steel fails to give results, the workman invariably will take the blame on himself for not giving it the proper handling, whereas if a failure occurs with American steel, it is always the steel that is at fault.

A recent analysis of one of the most widely sold imported steels, and which sells at a price of 15 cents or 16 cents per pound showed phosphorus, 0.025, and sulphur, 0.024. Any American tool-steel maker will furnish a steel as low or lower in these impurities for not to exceed 8 cents per pound.

Another analysis of an European steel recently exploited in this country shows phosphorus, 0.03, sulphur, 0.018, with 0.50 tungsten. This steel is also sold at 15 cents or 16 cents per pound and could be reproduced at not over 9 cents per pound.

There are any number of manufacturing concerns in this country who will bear witness to the fact that certain wily Frenchmen invaded the country a few years ago and sold any amount of a supposedly miraculous tool steel which was said to be manufactured from rare ores controlled by the French Government, the price being between 40 cents and 50 cents a pound. Those who were unfortunate enough to buy the material found that it was almost worthless and of a quality that could be duplicated in this country for 5 cents or 6 cents per pound.

This case is an extreme illustration of the credulity of some American tool steel buyers and their curious confidence in anything manufactured on the other side of the ocean.

If my statement quoted by parties referred to and affirmed by them is correct, a prohibitive duty would serve as protection to the American tool-steel buyer and would develop proper appreciation of American-made goods.

If it were possible to regulate the quality of imported tool steel by laws similar to the pure-food laws, and every purchaser had a ready means of knowing the quality of the material, as shown by analysis, then my statement that the American manufacturers can duplicate foreign-made steels at a lower price would be accepted

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universally, and the business would remain in this country, tariff or no tariff.

This would be manifestly impossible. In addition to which the tool-steel consumer has no facilities for making chemical analysis. In fact, in most cases would not understand what a chemical analysis indicated. It is difficult to judge the quality of tool steel with a single test, as an inferior quality of steel may give very good service the first time it is hardened, but deteriorates much more rapidly with successive hardenings than a better quality.

It is therefore our contention that a duty should be placed on all foreign tool steels sufficiently high to protect the American maker against unfair competition by inferior grades, and also to protect the buyer and direct his attention to the superior quality of American-made tool steels.

Very truly, yours, COLUMBIA TOOL STEEL COMPANY,
C. F. CLARAGE, *President.*

THE CRUCIBLE STEEL COMPANY, PITTSBURG, PA., WRITES AN EXPLANATORY NOTE RELATIVE TO THE SUGGESTED SCHEDULE FOR HIGH-SPEED STEEL.

PITTSBURG, PA., *March 3, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Referring to the letter of our president, Frank B. Smith, dated January 26, 1909, particularly in regard to high-speed steel, would say that when the manufacturers came to prepare and print their suggestions as to phraseology and rates in paragraph 135, they made the following change: "Valued above 36 cents and not above 42 cents per pound, 20 cents per pound; valued above 42 cents per pound, 45 per cent ad valorem."

You will notice that this differs from Mr. Smith's suggestion in that it reduces the duty on steel valued from 36 cents to 42 cents per pound 5 cents per pound, and makes the duty on steel above 42 cents an ad valorem duty instead of specific.

Mr. Smith, who is now ill, desires this letter to be an explanation of the change and a supplement to his letter of January 26, so that it will be consistent with the printed suggestions.

Trusting you will file this with his original letter, we remain,

Yours, very truly,

JNO. A. SUTTON,
Second Vice-President.

WIRE.

[Paragraph 137.]

THE BRODERICK & BASCOM ROPE COMPANY, ST. LOUIS, MO., FILES INFORMATION RELATIVE TO FOREIGN WAGES IN THE WIRE MAKING INDUSTRY.

ST. LOUIS, MO., *February 1, 1909*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to your favor of January 25 in reply to ours of January 21, we beg to submit herewith a statement of com-

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parative costs of manufacture of wire in the United States and England furnished us by an experienced wire manufacturer of many years' experience both in England and in the United States, he having been associated for many years with Fred. Smith & Co., of Halifax, England, whose letter we submitted with our amended brief, dated January 13, 1909. We consider the figures as reliable as it is possible to obtain and believe they will afford the committee an opportunity to form a fair idea of the difference in cost of production here and abroad.

We also desire to quote from a letter received from another manufacturer in England, viz, Wm. Jas. Glover & Co., of St. Helens, Lancashire, as follows:

Yours of January 4 to hand. It is difficult to answer your question in crisp manner, as much depends upon the system of working. We have our own system, which reduces the wire-drawing wages very materially, from 50 per cent to 60 per cent, as compared with earlier methods, but that is not a greatly reduced percentage on the total value, including material. I will try to tell you what you ask.

The cost in this country for a trades-union wire-drawer would work out at, per week of fifty-four hours, something like the following when on piecework rates, i. e., at per hundredweight for the work done:

	Shillings per week.
Drawing mild wire (Swedish)	30
Drawing hard wire (crucible)	45–55
Drawing hard plow steel wire	50–60

The latter is higher in cost per hundredweight, very considerably, but less work can be done, hence the slight difference per week.

The cost per ton for drawing from No. 5 rod to No. 10 gauge in mild steel may be anything down to 10s. per ton (bare wages), and for hard steel, say, 30s. per ton. for plow steel, say, 30 to 35s. per ton, according to temper and work turned off. The increase for English size is proportionate down to 20-gauge, 0.036 inch, which costs approximately:

Mild steel (per hundredweight):	s.	d.	Hard steel (per hundredweight):	s.	d.
Gauge No. 10	0	6	Gauge No. 10	1	0
Gauge No. 11	0	7	Gauge No. 11	1	2
Gauge No. 12	0	8	Gauge No. 12	1	4
Gauge No. 13	0	10	Gauge No. 13	1	6
Gauge No. 14	0	11	Gauge No. 14	1	8
Gauge No. 15	1	1	Gauge No. 15	1	10
Gauge No. 16	1	3	Gauge No. 16	2	1
Gauge No. 17	1	7	Gauge No. 17	2	5
Gauge No. 18	2	0	Gauge No. 18	3	0
Gauge No. 19	2	6	Gauge No. 19	4	0
Gauge No. 20	3	6	Gauge No. 20	5	6

Plow steel, 15 per cent extra.

Cleaners and annealers average 30s. per week and laboring hands anything from 20s. per week and upward.

I do not see how this will help you, as the American rates of pay may be very much higher per man per week on hard patent and plow steel and less on the soft wire.

Everything depends on the system of working. We have wire-drawing machines for high-strain thick wire now, such as are not operated anywhere else in this country, but we can not expose our costs to outsiders. We gain in time saved, which means less standing charges and work charges per hundredweight.

We have no reliable data of the wages in the United States on wire drawing, either per ton or per hour, except that some wire-drawers get as much on high-strain wire as $50 to $60 per week. This conveys nothing more than saying it is double the money they could earn in an ordinary wire mill here. The wire-drawer drawing big money on wire blocks, however, is now disappearing and more economical methods have taken their place. The American drawing machines make it very difficult to compete with in high-strain wire, and in soft wire it is quite impossible, even without duty, to send wire into the United States.

The cost of drawing soft wire in the United States from No. 14 to No. 26 will be nominal, as it can be drawn on continuous wire-drawing machines at very low cost, the finer sizes especially.

With reference to that part of the letter which speaks of American wire drawers receiving as high as $50 and $60 per week, we are confident that, if any such wages are paid, it is only for the very fine sizes of high-grade music quality wire, i. e., size No. 30 and finer. Still, if such wages are paid in this country, even for these very fine sizes of high-grade wire, it may be the grounds for a broad assertion on the part of certain manufacturers in advocating a continuance of excessively high rates of duty on wire.

These fine sizes of high-grade music quality wire are sold at the highest price, and comparatively only a small amount of same is ever used in the manufacture of wire rope.

As a matter of fact, there is comparatively only a very small amount of wire imported, valued at over 6 cents per pound in Europe. We do not think the total amount of such wire will exceed 10 tons per annum, and the finer sizes of high-grade music quality wire (say No. 30 and finer) would all be included in this class. On this class of wire, valued at 6 cents per pound or over, we recommended in our original brief of November 25, 1908, a duty of 30 per cent ad valorem, but if manufacturers of this wire in the United States desire further protection on same, we have no objection, for, as stated above, but little rope wire would be included in this class.

Our purpose has been to aid your committee in the collection of reliable data, and with that in view we have exerted every effort to secure all the information possible; and we are therefore inclosing another letter just received from Andrew Rathbone, of Warrington, England (Exhibit A), whose previous communication was sent you with our amended brief.

We would like to have all these original letters returned to us for our file when they have answered the purpose and requirements of the committee.

If desired, we will submit the original letter of Wm. Jas. Glover & Co., from which we have quoted herein; but the balance of their letter merely refers to other matters and is foreign to this subject.

The foregoing is respectfully submitted, and if we can be of further service to the committee, we trust to receive your command.

Respectfully,

H. J. BAILEY,
For BRODERICK & BASCOM ROPE CO.

EXHIBIT A.

21 VILLARS STREET, WARRINGTON, ENGLAND,
January 20, 1909.

Messrs. BRODERICK & BASCOM ROPE CO.,
St. Louis, Mo.

DEAR SIRS: Replying to yours of the 31st ultimo, I have pleasure in supplying you with the information you require. We pay the cleaners equivalent to 30 cents per ton, and the annealers we pay the first hand equivalent to 10 cents per hour, whilst his assistant, of whom there are two, for an output of about 50 gross tons per week we pay an equivalent to 8 cents per hour. A tempering furnace capable of making an output of 50 tons per week will have to work night and day.

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Therefore two shifts would be required, and as it takes three persons to each shift, there are six, two of whom are responsible, that is, one to each shift, and to whom we pay an equivalent of 12 cents per hour each, and to the assistant, one of whom on each turn is at the swifts, who is paid at the rate of 9½ cents per hour, and the other, a youth, works the blocks and is paid at the rate of 7 cents per hour. The frames contain 20 blocks, and one frame for the output above mentioned is sufficient. That is, 20 swifts or rests, one furnace, and one frame of 20 blocks, with one responsible man to manage the furnace. One man at the swifts and one youth at the blocks. We pay the wire-drawers according to the following list:

Size.	1-hole.	2-hole.	3-hole.	4-hole.	5-hole.	6-hole.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
10	8	11	19	23	26	30
11	8½	11½	20	24	27	31
12	9	14½	20½	25	28	32½
13	10	16	21½	27½	31½	35
14	11½	17½	26½	33	37	40½
15	14½	19½	30	35	40½	44½
16	17	23	33½	37	46	52
17	23	27½	37	42½	52	58
18	25½	34½	42½	46½	57½	64
19	33	40½	53½	59	69½	80
20	40	51	62½	81½	92½	104
21	.....	84	102	112	132	150

For gauges below No. 21 we pay on a different list, and take the wire in No. 16, so that it is irrespective of the number of holes, for we pay an equivalent to—

No.	22	23	24	25	28
$	2	2½	3	4	5

All these prices are paid on a hundredweight of 112 pounds.

I trust you will find the above what you require, and am,

Yours, faithfully,

ANDREW RATHBONE.

Copies of actual time notes, showing wages paid in an American mill about the date given, viz, June, 1904.

United States of America wire-drawers' wages.

[Price list for drawing tempered cast-steel rope wire to 230,000 pounds per sqare inch per 100 pounds.]

Size.	1-hole.	2-hole.	3-hole.	4-hole.	5-hole.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*
8½	5½	6½	8	9	10½
9½	6	7	10	10½	12½
10½	7½	8	10½	12½	14½
11½	8	9	11½	14	16
12½	9	10	12½	16	18
13½	10	11	14½	18	20½
14½	10½	11½	16	19½	23½
15½	11½	13½	18	24	28
16½	12½	16	20½	29	31½
17½	14½	19	21½	30½	36
18½	16½	20	23½	31½	40½
19½	22½	29	31½	40½	45
20½	27	34	36	47	54
21½	31½	40	45	54	63
22½	36	45	58½	72	81
23½	45	54	67½	81	90
24½	56	68	85	100	110
25½	66	76	100	120	130

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Getting up No. 19 hard steel.

[100 tons per square inch from No. 5 rods.]

AMERICAN PROCESS.

	Output in ten hours.			Rate per 100 pounds.		Total.		
	Cwts.	*qrs.*	*lbs.*	*s.*	*d.*	*L.*	*s.*	*d.*
2 hole, 9 1 man, two 26-inch blocks	53	2	8	0	3	0	15	0
3 hole, 14 1 man, three 22-inch blocks	17	3	12	0	8	0	13	4
4 hole, 19 1 man and boy 8-16 inch blocks	8	3	20	1	8	0	16	8
						2	5	0

Cost per ton, £2 18s. 4d.

ENGLISH PROCESS.

	Output in ten hours.			Rate per hundred-weight.		Total.		
	Cwts.	*qrs.*	*lbs.*	*s.*	*d.*	*L.*	*s.*	*d.*
1 hole, 7 1 man, 1 block	35	0	0	0	2½	0	7	3
3 hole, 12 1 man, 1 block	11	0	0	0	8¾	0	8	0
4 hole, 19 2 men, 3-18 inch blocks	3	1	10	2	7½	0	8	9
						1	4	0

Cost per ton, £3 11s. 3d.

A. JOHNSON.

Date.	1 hole 6.	2 hole 9½.	Date.	1 hole 6.	2 hole 9½.
	Pounds.	*Pounds.*		*Pounds.*	*Pounds.*
May 16	7,205	3,360	May 25	8,265	3,120
May 17	15,850	.....	May 26	6,575	3,955
May 18	10,750	2,150	May 27	10,210	3,405
May 19	13,430	690	May 28	13,880	.....
May 20	14,795	1,245	May 30	14,665	.....
May 21	4,655	2,715	May 31	13,130	.....
May 23	14,815	.....			
May 24	3,820	6,520	Total	152,045	27,160

Fourteen days:

1 hole 6, 152,045 pounds, at 1¾ cents $26. 60. 78
2 hole 9½, 27,160 pounds, at 2¾ cents 7. 46. 90
Two hours day work, at 20 cents 40

34. 47. 68=£7 3s. 8d.

Equivalent English pay on above work, £13 10s. 3d.

1 hole 6 takes in all larger sizes. Some of this wire would be 00 or anything between that and No. 6.

Total, 8 wire drawers worked the 29 wire blocks.

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Getting up No. 19 hard steel—Continued.

A. FREDERICKSON.

Date.	2 hole 10¾.	1 hole 8.	Date.	2 hole 10¾.	1 hole 8.
	Pounds.	*Pounds.*		*Pounds.*	*Pounds.*
May 16	8,555		May 25	8,270	
May 17	8,535		May 26	8,425	
May 18	9,330		May 27	9,785	
May 19	8,080		May 28	8,790	
May 20	8,680		May 30	8,500	
May 21	5,770		May 31	9,485	2,160
May 23	6,410				
May 24	8,400		Total	117,015	2,160

Fourteen days:

1 hole 8, 2,160 pounds, at 2 cents $0. 43. 20
2 hole 10¾, 117,015 pounds, at 3¼ cents 38. 02. 98

38. 46. 18=£8 4s. 1d.

Equivalent English pay on above work, £17 11s. 5d.
All from rod.
Total, 8 wire-drawers worked the 29 wire blocks.

C. MURDOCK.

Date.	2 hole 9½.	1 hole 8.	Date.	2 hole 9½.	1 hole 8.
	Pounds.			*Pounds.*	
May 16	5,410		May 25	5,920	
May 17		Out, sick.	May 26	7,090	
May 18		Out, sick.	May 27	8,010	
May 19	5,895		May 28	7,775	
May 20	6,460		May 30	7,785	
May 21	5,605		May 31	9,005	
May 23	5,745				
May 24	6,745		Total	81,445	

Fourteen days:

2 hole 9½, 81,445 pounds, at 2¾ cents ..... $22. 39. 73=£4 13s. 2d.

Equivalent English pay on above work, £10 12s.
All from rod.
Total, 8 wire-drawers worked the 29 wire blocks.

E. BENSON.

Date.	1 hole 8.	2 hole 10¾.	3 hole 12.	4 hole 14.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*
May 16			6,060	
May 17			7,625	
May 18			6,980	
May 19			5,670	
May 20		1,935	1,820	2,250
May 21		1,370		2,085
May 23		2,050		2,3[illegible]0
May 24			5,245	1,010
May 25			5,870	
May 26		1,825	1,380	2,3[illegible]5
May 27		2,085		3,3[illegible]0
May 28		2,330		2,8[illegible]0
May 30		1,795		3,3[illegible]5
May 31	1,015	1,980		2,9[illegible]5
Total	1,015	15,370	40,620	23,010

Fourteen days:

1 hole 8, 1,015 pounds, at 2 cents $0. 20. 30
2 hole 10¾, 15,370 pounds, at 3¼ cents 4. 99. 52
3 hole 12, 40,620 pounds, at 4½ cents 18. 27. 90
4 hole 14, 23,010 pounds, at 9 cents 20. 70. 90

44. 18. 62=£9 4s. 1d.

Equivalent English pay on above work, £20 15s.
All from rod.
Total, 8 wire-drawers worked the 29 wire blocks.

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Getting up No. 19 hard steel—Continued.

A. RASMUSSEN.

Date.	1 hole 8.	3 hole 12.	2 hole 10¾.	Barbing No. 9 wire.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*
May 16		6,990		
May 17		7,305		
May 18		6,590		
May 19		6,310		
May 20		6,920		
May 21		5,160		
May 23		5,615		
May 24		4,710		8,115
May 25		1,485	6,370	2,545
May 26		7,185		1,620
May 27		6,160		
May 28		6,170		
May 30		6,875		
May 31	1,120	6,770	875	
Total	1,120	84,255	7,245	12,280

Fourteen days:

1 hole 8, 1,120 pounds, at 2 cents	$0.22.40
Barbing 9, 12,280 pounds, at 2¾ cents	3.37.70
2 hole 10¾, 7,245 pounds, at 3¼ cents	2.35.46
3 hole 12, 84,255 pounds, at 4½ cents	37.91.47
	43.87.03=£9 2s. 9d.

Equivalent English pay on above work, £23 2s. 6d.
All from rod.
Total, 8 wire-drawers worked the 29 wire blocks.

A. ERICKSON.

Date.	1 hole 13.	2 hole 15.	Date.	1 hole 13.	2 hole 15.
	Pounds.	*Pounds.*		*Pounds.*	*Pounds.*
May 16	5,465	1,980	May 25	5,985	2,065
May 17	5,775	2,050	May 26	5,980	2,070
May 18	5,725	1,835	May 27	5,985	1,995
May 19	5,445	2,135	May 28	5,545	1,870
May 20	5,510	2,270	May 30	6,510	2,025
May 21	5,015	1,665	May 31	5,845	1,835
May 23	4,080	1,885			
May 24	6,100	1,895	Total	78,965	27,575

Fourteen days:

1 hole 13, 78,965 pounds, at 3 cents	$23.68.95
2 hole 15, 27,575 pounds, at 6 cents	16.54.50
	40.23.45=£8 7s. 8d.

Equivalent English pay on above work £18 13s. 7d

This man takes the 12 hard and draws 2 hole 15.
Total, 8 wire drawers worked the 29 wire blocks.

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MUSIC WIRE.

[Paragraph 137.]

HON. BENJAMIN F. HOWELL, M. C., FILES LETTER OF THE WEBB WIRE WORKS, NEW BRUNSWICK, N. J.

NEW BRUNSWICK, N. J., *February 2, 1909.*

Hon. SERENO PAYNE,
Chairman of the Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to section No. 137 of the Dingley tariff of 1897, which fixes the duty on music wire at 45 per cent ad valorem, we respectfully submit the following for your consideration:

Before starting our mill we found, upon investigation, that although much music wire was manufactured in this country, large quantities of the higher-grade wire were imported. We believed that there was here a market not covered by the larger mills. It was to supply this market and furnish the highest quality of music wire in direct competition with foreign makers that this company was incorporated in March, 1906. We are an independent concern. Our mill was therefore organized and equipped especially with the idea of producing a wire of the highest quality. Working along this line, it has been a matter of much effort and expense to develop and train labor sufficiently skillful to produce a music wire that would compete with the imported brands. Furthermore, it would be impossible to reduce this labor expense if our quality is to be maintained. We are now marketing our wire in active competition with the imported brands, but we find under the present tariff schedule that this competition, especially with the German makes, is so acute that any reduction in the present tariff would enable foreign makers to drive us out of this field.

In our own mill we have proved it to be erroneous to state, as have some importers, that American manufacturers can not and do not produce a music wire equal in all respects to the foreign-made article. But we have found it to be true that music wire of equal quality can not be made as cheaply here as abroad, owing to the largely increased labor expense, the main item in the production of this article. Unless a reduction in the present tariff shall compel us and similar concerns to abandon the manufacture of such a wire, they and we will continue to give occupation to a class of highly skilled laborers and help in maintaining the high industrial standard of our country. We wish in this connection to draw to your attention that the process of the manufacture of music wire consists of a series of small operations requiring individual handling which makes it impossible to employ to any large extent labor-saving devices, as can be done in other branches of the steel industry. A comparison of prices of music wire without a comparison of quality and size is misleading.

In conclusion, we would state that the present tariff is not prohibitive. This is clearly shown by the continued large importation of music wire, figures for which we are unable to obtain, as there is no special classification of this article. We may further add that the growth and pronounced prosperity of the piano industry in recent years may be regarded as a demonstration that the tariff has worked

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no hardship to the piano manufacturers, the chief users of this high-grade music wire.

Yours, respectfully,

THE WEBB WIRE WORKS.

BOLTS, NUTS, WASHERS, AND RIVETS.

[Paragraphs 145, 163, and 167.]

A COMMITTEE REPRESENTING THE MANUFACTURERS OF BOLTS, NUTS, WASHERS, AND RIVETS RECOMMENDS A NEW CLASSIFICATION FOR THESE ARTICLES.

LEBANON, PA., U. S. A., *January 22, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: In transmitting the inclosed brief on bolts, nuts, washers, and rivets I feel it proper to state the business and location of each of the committee named by the manufacturers' meeting: C. W. Scofield is of the Lake Erie Iron Company, Cleveland, Ohio; Charles J. Graham, of Graham Nut Company, Pittsburg, Pa.; Clement R. Hoopes, of Hoopes & Townsend, Philadelphia, Pa.; W. F. McKenzie, of Upson Nut Company, Cleveland, Ohio; James Lord, of American Iron and Steel Manufacturing Company, Lebanon, Pa.

One member of the committee, W. S. Comly, did not sign, as he had no authority from his company to do so, although he expressed no objection to the brief.

Three of the committee were selected from east of the Alleghenies, three from west of them.

Yours, truly, JAMES LORD, *President.*

LEBANON, PA., U. S. A., *January 8, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: A meeting of bolt, nut, and rivet manufacturers was held at Pittsburg, Pa., December 15 and 16, to consider the question of tariff revision on above items. A committee of six was appointed to secure the views of the manufacturers, to edit them, and present them to your committee.

In the performance of this duty we recommend that the above items be included in one paragraph, as they are allied lines, and to a great extent made by bolt, nut, and rivet manufacturers.

We would state that "finished hinges and hinge blanks" (in paragraph 145), and "horse, mule, and ox shoes" (in paragraph 163), have no connection with our industry. Spikes are made to some extent by the above manufacturers, but more largely as a separate industry; therefore we will not make any suggestions about them.

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We feel that the items named at the head of this brief—namely, bolts, nuts, washers, and rivets—can be properly classed together and bear one rate of duty.

We think that the Dingley tariff is not equitable in its treatment of these items, varying the rate from 1 cent to 2 cents per pound; we feel that one rate should apply to all of them.

And it is further inequitable in that it applies the same rate to nuts of all sizes and varieties, whether they cost 2 cents or 60 cents per pound—the same criticism applying to bolts, though to a less degree. In explanation of this statement, the word "nuts" includes finished case-hardened nuts; the material in these costs from 1½ to 2 cents per pound, while the labor cost in some diameters is 58 or 60 cents per pound.

And with regard to bolts, small sizes, as ¼ by 1, will cost approximately 10 cents per pound, while larger sizes, say ¾ by 15, cost approximately 1.9 cents per pound.

To overcome this injustice of classification we recommend that there be an ad valorem as well as specific duty.

In making the recommendation we are not unmindful of the fact that the difference in diameters, standards, sizes, and threads of items in question, and the small units of sale, make America, under present conditions, a difficult field for European competition. But we have a neighbor north of us, whose standards and methods are the same as our own—who has a number of bolt and nut works, with a product greater than can be used in the Dominion of Canada—whose rates of freight to the centers of purchase differ but little from our own. They have so protected the items in discussion as to preserve the market entirely to their own manufacturers, although previous to the adoption of this policy it was a profitable field for our products.

Mexico has also adopted a much higher tariff on our goods for the stated purpose of protecting the bolt and nut works now built and projected in that country.

Under these conditions we recommend that practically the same tariff schedule be applied to these items as is now charged by the Canadian tariff; namely, 75 cents per 100 pounds specific and 25 per cent ad valorem.

This will be a great reduction from present schedule on the bolts of greatest tonnage, and a much greater reduction on rivets. On bolts of small diameters, and on nuts and washers it would be an advance, due to the ad valorem. But we recommend it because we believe it to be more equitable, and for the purpose of correcting what we think was erroneous in the Dingley tariff.

We sought the views of 34 manufacturers, representing in our judgment 95 per cent of the country's output of bolts, nuts, and rivets, though a much smaller per cent of washers. Of the 30 replies, 29 agree unreservedly to the views herein expressed. One party replies that they will state their views later.

In regard to the presentation of cost sheets of production in this country, this business is one of such detail that the estimate book of one manufacturer is larger than Webster's Dictionary.

And in regard to securing foreign costs, we have tried in vain to secure them. Even if we had them it would not be possible to take the piecework prices of different countries working on different

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standards, as to heads, threads, sizes, shapes, and diameters, and make an intelligent comparison with the costs of this country.

We are, therefore, compelled to omit the comparative statement of costs.

Very truly, yours,

C. W. SCOFIELD
CHAS. J. GRAHAM
CLEMENT R. HOOPES.
W. F. MCKENZIE
JAMES LORD.

CARD CLOTHING.

[Paragraph 146.]

SUPPLEMENTAL STATEMENT FILED BY SEARLE & PILLSBURY, BOSTON, FOR IMPORTERS OF CARD CLOTHING.

50 CONGRESS STREET,
Boston, January 19, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The American manufacturers state that card clothing does not enter in general consumption. This is not really the case, as every kind of textile mill in America, including woolen, cotton, silk, etc., use this production, and it is largely bought by the machine makers in America, and the excessive duty on this product is a serious tax on their business, and just in the same way every cotton and woolen mill buys this clothing as one of the necessary supplies, and the duty compels them to pay a large extra sum every year for card clothing, and so is a handicap to all the users in cheap production and prevents them from producing for export. We calculate that the users of card clothing in America have to pay fully $600,000 per annum more for their card clothing than they would do if the duty was abolished.

We think the statement that $1,200,000 capital is employed to produce the same amount of card clothing is very much exaggerated.

Wages.—Great stress is laid on the difference in wages paid between the foreign and American labor. The following facts speak for themselves:

1. There is employed in this manufacture a comparatively small number of skilled operatives These are what are termed the "machine tenters," and we find that in America these men are paid a weekly wage of $20 to $22.50 for fifty-eight to sixty hours (say, 36 cents per hour for fifty-nine hours per week), and this same class of labor in England is $11 for fifty-four hours (say, 20 cents per hour, or 30 cents per hour for the same number of machines), and in America each one of these skilled laborers runs or works an average of 15 machines each as against English mills where they only run 10 machines each, so that, as a matter of fact, the difference in skilled labor is not even double, and not 150 per cent as stated in their petition.

In order to show in a concrete manner the result of this question of cost of labor, we will take the case of Messrs. Ashworth Brothers, of Fall River, who are by far the largest producers of cotton card

clothing in America. Their production is generally reckoned as so many sets of clothing, and the selling price in America of one of these sets is about $100 per set made in C. W. C. foundation of cloth. There is on each of these sets a duty and freight equal to $43.50; that is, every consumer of foreign card clothing has to pay $43.50 more than he would have to do if no duty. Of course, the production of the American makers as regards selling price is regulated by this, so that the consumer has to pay this duty not only on imported card clothing, but also on American made. To show how this duty bears on the cost of labor in the production of each set, we find in a well-managed card manufactory in England the total cost for labor is $7 per set, so taking a liberal view of the matter the American maker will produce one of these sets for $14 for total cost of labor, so that seeing that the duty on each set is $43.50 they are protected to the extent of three times the total cost of labor; that is, they have all their labor free ($43.50 — $14 = $29.50) and $29.50 further protection. As regards the duties on raw materials, it should be stated that the American makers produce their own cloth and wire, and consequently the actual duty on these materials do not operate, and as they are manufactured in America the extra cost of these cloths and wire will not be much greater than in England, and seeing that they are protected as shown above to the extent of entire free labor and $29.50 toward other expenses and cost of materials. As regards the other materials used, namely, wire, the total cost at 0.1463 per pound, as given by them, the cost of the wire would (taking 100 pounds to a set) amount to $14.63 per set for wire, so that to sum up the position it amounts to this:

That the duty and freight being protection to the American maker of card clothing, per set of clothing amounts to	$43.50
Cost of all labor for making an entire set in America on a very liberal basis, is... This is allowing for rather more than double English wages.	14.00
Total cost of all wire used in a set of card clothing, as it takes 100 pounds to produce a set, and its value is according to their own figures 0.1463 per pound, equals	14.63
The only other material used in the production of a set of card clothing is the cloth foundation, and this they produce themselves in America, and can not possibly cost more, taking 10 square yards to the set, at $2 per square yard, amounts to $20 per set	20.00
	48.63

So that the American maker is protected to the extent of $43.50 per set, and yet the total cost of labor and all materials, wire, and cloth only amounts to $48.63, so that if the duty had been $5 more they would have been protected to the extent of all cost of labor and all materials, the selling price being $100, and the foreigner has to pay duty and freight, $43.50, leaving $56.50, so that the foreigner has to be content with only $56.50, whereas the American maker gets $100. Surely this is protection with a vengeance, and this duty ought really to be reduced by 50 per cent at the least.

In this industry in America the number of skilled laborers is very few, taking for instance the machine tenders, who are practically the only specially skilled men; all the firms in America put together have not more than 60 to 65 such men, as is proved by their statement that there are 1,039 machines, and, as one man runs 15 to 20 machines each, it is conclusive when we state 65 men we are within the mark. It is well within the mark to say that nearly all the other employees

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used in the actual production are either unskilled men or women, whose wages are of course much less than the skilled men. We should think that all the workers employed in this industry in America do not total more than 250 people, and yet the consumer has to pay an annual penalty for the sole benefit of some half dozen employers or capitalists and these 250 employees. We calculate, as before stated, this annual penalty amounts to no less than $600,000. Better to pension all the lot than go on paying this, let alone to consider increasing it.

We have based the foregoing figures at $100 per set as the selling price by the American makers, and this we think is correct, as they themselves value the total production at $1,200,000 for 934,338 square feet, being equal to $1.28 per square foot, and, as there are 92.3 square feet in a set, it really works out at 92.3×$1.28=$118 as the average selling price, whereas we have only called it $100, so that the American makers have an enormous margin of profit.

Referring to the decision of the courts to admit card clothing with the new machinery for which it is intended at the same rate of duty as the machinery, we must say that this appears to us to be perfectly just and right, as the carding engine is not a complete machine without the card clothing. We consider that this principle might be extended with great advantage to the cotton spinning and woolen and machine making industries of the United States, and that it would be only fair to those industries to admit all card clothing at the same rate of duty as machinery.

SEARLE & PILLSBURY,
Attorneys for Importers.

AMERICAN MANUFACTURERS OF CARD CLOTHING FILE SUPPLEMENTAL BRIEF IN SUPPORT OF THEIR REQUEST FOR INCREASED PROTECTION.

NORTH ANDOVER, MASS.,
February 12, 1909.

The WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: In reply to a request of Searle & Pillsbury, attorneys for Importer Evan Arthur Leigh, Boston, Mass., of December 29, 1908, for ad valorem duty and new classification on card clothing, we respectfully submit the following:

First. Let it be clearly understood that Mr. Evan Arthur Leigh is an importer of textile machinery and an agent of one of the largest card clothing manufacturers in England, and most of the statements made by his attorneys are misleading and not true.

If Mr. Leigh or his attorneys were practical manufacturers and acquainted with the manufacture of card clothing in this country, they certainly would not have made the misleading statement in their brief as to the "antiquated methods and machinery used by the American manufacturers, and the inferior quality of their goods."

The card clothing factories in this country are fitted up with the very best machinery that is possible to obtain, and the quality of goods is equal in every respect to that of other countries. It certainly would seem strange that two-thirds of the domestic consumers of card clothing would accept that "inferior" quality of American

make while they have an opportunity to get the imported clothing at a lower price.

As stated by the attorneys of Evan Arthur Leigh, card clothing has been specifically provided for in the tariff acts for over twenty-five years.

This article is manufactured from so very many different materials that an ad valorem rate would be confusing and very unsatisfactory, and for these reasons Congress has in the past wisely provided a specific rate.

The petitioner claims that if card clothing was not specifically provided for in the tariff it would be dutiable under paragraph 193 under the present act, as articles or wares, in whole or in part of metal, at 45 per cent ad valorem.

Under no circumstances could card clothing be classified as an article manufactured of metal, as the wire which forms the metal part is in no case, with the possible exception of bronze or brass-wire clothing, the component material of chief value.

In the manufacture of card clothing, the wire is inserted into the various foundations, as explained in our brief.

These foundations are the component material of chief value, and as they are subject to different rates of duty under which the articles may be properly classified, ranging from 45 per cent to 160 per cent, the classification of card clothing under metal ware at 45 per cent ad valorem would be very unjust to American card clothing manufacturers, as they are compelled to pay these high rates of duty on the foundations, especially when the same are made in part of wool.

It is not a fact, as stated by the attorneys for Mr. Leigh, that the American manufacturers undersell the importers, as the latter are constantly selling card clothing at a price that is below the cost that it can be produced in this country, and if desired we will furnish proofs to that effect.

The foreign manufacturers are selling their products in the markets of the world, while the American manufacturer, on account of the high-priced labor and materials, can not compete, and must depend entirely on the home markets

There is certainly a need of a provision in the new tariff act for unattached card clothing imported with carding machinery.

It is well known and can be proven that a large number of carding machines, particularly woolen and worsted cards, have been imported prior to December 12, 1906, without card clothing. These cards in many instances have been clothed with clothing made by American manufacturers, or the clothing has been imported separately, and was dutiable at the regular specific rate of 45 cents per square foot. If an ad valorem rate is applied to the unattached clothing imported with machinery, the Government is certainly losing revenue and the American card makers have no chance whatever to compete on clothing for new carding machinery made abroad.

The statement made relative to the 55 cents is wrong, as they apply the rate of 55 cents per square foot to the lowest priced clothing. We asked for a 55-cent rate on the high-priced clothing and specialties.

As to the statement made in regard to the number of persons employed in the card clothing industry, Mr. Leigh's attorneys have again shown that they are not familiar with the conditions of this

industry in the United States. There are at the present time about 400 persons employed in the card clothing shops and this does not include the large number of persons employed in the factories that make the wire, rubber, cottons, woolens, felts, leather, etc., used exclusively as the materials in the manufacture of card clothing.

As fully explained in our brief, the card clothing industry of this country needs increased protection, and the manufacturers only asked for such duties as will equal the difference between the cost of production at home and abroad, or, in lieu of increasing the present rates on the manufactured product, that such a reduction be made on the materials from which card clothing is made as will enable the domestic manufacturers to compete successfully with foreign makers.

In conclusion, we wish to urge the committee most earnestly to consider our request that card clothing be specially provided for and pay a specific rate duty as specified in our brief.

Respectfully submitted.

By George L. Hamilton, North Andover, Mass., for Howard Bros. Manufacturing Co., Worcester, Mass.; Beckwith Card Co., Stafford Springs, Conn.; American Card Clothing Co., Worcester, Mass.; Benjamin Booth & Co., Philadelphia, Pa.; Davis & Furber Machine Co., North Andover, Mass.; Amsterdam Card Clothing Co., Amsterdam, N. Y.; Leicester Card Clothing Co., Leicester, Mass.; Methuen Napper Co., Methuen, Mass.; Ashworth Brothers, Fall River, Mass.

CUTLERY.

[Paragraphs 153–155.]

HENRY L. WHEATLEY, OF WASHINGTON, D. C., REPRESENTING AMERICAN SHEAR MANUFACTURERS, ASKS FOR AN INCREASE OF THE DUTY ON SHEARS.

BOND BUILDING,
Washington, D. C., February 18, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In requesting a raise in the schedules relating to scissors and shears, or parts thereof, the undersigned, representing practically all the manufacturers of American scissors and shears, respectfully submits the following facts for your consideration:

That the scissor and shear industry of the United States is controlled by no "trust," combination, or agreement.

That there are in existence and operation at the present time about twelve factories (located in Connecticut, New York, New Jersey, Pennsylvania, Ohio, Indiana, and Michigan) engaged in the manufacture of scissors and shears, each absolutely distinct from all others and in active competition to each other.

That the average proportion of labor to cost on imported scissors and shears is about 40 per cent. The actual proportion of labor to cost of American scissors and shears is practically 80 per cent.

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That it is known that operatives' wages are two to three times greater in this country than in Germany or England.

That the American manufacturers of high-grade cutlery are confined strictly to the manufacture of one class of scissors and shears, viz, a laid steel shear upon a malleable-iron or forged-steel base.

That at present there are no solid-steel scissors or shears under 6 inches manufactured in this country, and none of the larger sizes excepting a few surgeons' and dentists' instruments.

That it is impossible under the existing tariff for manufacturers in this country to compete with the solid steel shears and scissors manufactured in Germany.

That with a tariff on scissors and shears, as will be proposed, a new industry would be created in this country, viz, the manufacturing of high-grade steel scissors and shears, something which, as before stated, has never been done and it is impossible at present to do, at a profit, owing to the difference in the cost of labor.

That with an increase in the duty as proposed there would be no increase in the price of shears to the consumer. At the present time the so-called American steel shears are only finished in this country, the blanks coming in under the lowest or next to the lowest schedule. These shears, when finished by American manufacturers, cost in the neighborhood of $6 per dozen against an import valuation of the finished product from Germany of $3.50 per dozen.

That notwithstanding we would make a much better shear in this country, and one which could be sold at the regular retail rate which now prevails for German goods, if we had a higher duty, German goods, now imported under the $3.50 schedule, sell at retail for $1.25 to $1.50 per pair against American finished goods of the same quality, which retail for $1 and $1.25. The retailer finds it to his advantage to favor the belief, commonly held, that an imported shear is superior and costs more and should sell for more. By fostering this fallacy he sells the foreign goods at a much larger profit than he can obtain on home products.

While the actual wage of a German mechanic is apparently two-thirds of that paid in this country, the difference is really greater. In Germany the work is done entirely by contract and not in a factory. The workman takes to his home the rough material and with the aid of the family the product is finished. The wages earned are credited to the man and average $10 per week not for the man's work but for the work of himself and family. In this country the same man would average $3 per day for his own work done in the factory.

With a protective tariff these goods can be made in this country and sold here at a price no higher than the imported article is selling now, and still leave a margin of profit, to the retailer, of 100 per cent.

We would respectfully suggest the following schedule be substituted for that now in force. We believe a greater number of classifications necessary in order to protect the manufacturer in this country as much as possible from undervaluation and further believe a specific duty will also tend to prevent that prevalent practice so injurious to American manufacturers.

Scissors and shears and blades for same, finished or unfinished, valued at not more than 50 cents per dozen, 50 cents per dozen; valued at more than 50 cents and not more than $1 per dozen, $1 per dozen; valued at more than $1.50 and not more than $2 per dozen,

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$2 per dozen; valued at more than $2 per dozen and not more than $2.50 per dozen, $2.50 per dozen; valued at more than $2.50 per dozen, $2.50 per dozen and 25 per cent ad valorem.

We claim that this increase in tariff would not affect the price of shears and scissors to the consumer, but would create an entirely new industry in this country, one which would ultimately mean the employment of more than a thousand men with a product considerably more than a million dollars.

We believe that our shear manufacturers are as progressive as any other Americans and it stands to reason that we would manufacture these goods if we could. That we do not is proof that under existing conditions we can not.

Respectfully submitted.

HARRY L. WHEATLEY,
Representing American Shear Manufacturers.

NEW YORK CITY IMPORTERS OF CUTLERY SUBMIT A BRIEF TENDING TO SHOW THE ADVANTAGES OF AN AD VALOREM RATE ON KNIVES AND SHEARS.

31 NASSAU STREET,
New York City, February 18, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Paragraph 153 provides a method of combination duties on penknives and pocketknives and fixes an arbitrary division based on the value of the article, and the same is true as to razors and scissors.

"The total importation of cutlery under paragraphs 153, 154, and 155 were valued at $2,232,174.89, yielding a revenue of $1,437,855.69 and the average ad valorem rate was 64.42 per cent."

It is understood by the undersigned that your committee desires to recommend such rates of duty as will (1) provide adequate revenue, (2) be a protection to the domestic manufacturer and laborer, and (3) bring a good commercial article within reach of the consumer.

We believe that the present system of combination duties, based on an artificial, arbitrary price division, is unscientific and unwieldy in the lines of merchandise classified under sections 153 and 155. We therefore present for your consideration the placing of a straight ad valorem duty on each line of goods. Twelve years of the present tariff law's operation would seem sufficient to enable the fixing of an average ad valorem rate, which your committee can recommend, and thereby provide the revenue, protect the laborer and manufacturer, and yet not place the article beyond the consumer's reach.

A straight ad valorem duty will make the classification of invoices simpler and easier, the amount of duty can be ascertained more easily and will in every way conduce to betterment in the actual work of the custom officials.

Again, such a rate will have the effect of settling grades and bettering the product. The foreign manufacturer now makes his goods to meet the divisions arbitrarily established under the law; in other words, he causes certain goods to be worked under the limit price in

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its class. If there be no class, then the buyer would be the gainer as well as the Government. The former would get a better article, the latter more duty. An article costing $1.60 can, by omitting certain operations trifling in cost, be reduced to the $1.50. This is, of course, especially true of the higher-priced articles in these various lines. From these figures it can be seen that specific duties are unjust and unfair, as they put a widely differing range of duties on goods in the same class, whether it be knives, razors, or shears. Take a knife valued at $3.25 per dozen—

Specific duty 20 cents per piece	$2.40
Ad valorem 40 per cent	1.30
Total	6.95

making 114 per cent duty. If the maker can reduce this value to $3 per dozen, the duty paid is but $2.40, or 80 per cent ad valorem. The difference in this rate of duty paid is caused by the effect of the specific duty on the percentage and the actual duty paid on the article imported.

To-day there is every incentive to cheapen a grade or with dishonest men to undervalue. In the latter case the honest competitor can not do business and the Government loses the duty and in the former the consumer receives an inferior article. It is respectfully submitted that a straight ad valorem schedule will give less chance of or cause for undervaluation.

Pocket knives under section 153.

No. 1. Valued not more than 40 cents per dozen, 40 per cent ad valorem.

No. 2. Valued more than 40 cents and not more than 50 cents per dozen, 1 cent per piece and 40 per cent ad valorem.

No. 3. Valued more than 50 cents and not more than $1.25 per dozen, 5 cents per piece and 40 per cent ad valorem.

No. 4. Valued more that $1.25 and not more than $3 per dozen, 10 cents per piece and 40 per cent ad valorem.

No. 5. Valued more than $3 per dozen, 20 cents per piece and 40 per cent ad valorem.

The importation of pocket knives for 1907, arranged under their classifications, was as follows:

	Amount imported.	Duty collected.	Average ad valorem rate.
			Per cent.
No. 1	$165,419.00	$66,160.00	.....
No. 2	153,766.20	99,877.91	64.95
No. 3	288,924.08	269,359.98	93.23
No. 4	242,636.47	220,799.79	91.00
No. 5	157,051.62	132,179.25	84.16

So that there were imported pocketknives paying duty under this section, $1,007,697.39, paying the Government $788,376.93 duty, and the average rate of duty paid ad valorem was 78.33 per cent.

If an ad valorem duty be imposed, the revenues received thereunder will yield, we believe as much or more revenue as is at present

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obtained. The cost of assessing duty will be lowered and the domestic industry not alone survive, but continue to flourish.

It can not be denied that the skilled worker in the United States receives more pay than his fellow abroad. It is respectfully submitted that this difference is not so great in those grades of goods higher in price. Yet from the foregoing table it will be seen, that in the grades in which the importations were largest, the protection given ranges from 93.23 per cent to 91 per cent.

It may safely be said that the only lines where the foreign product enters into competition with the American, is in the line costing $1.25 per dozen and upward to $4 per dozen. Beyond the $4 figure the domestic production is small and the competition therefore trifling.

The domestic production is considerably over $3,000,000, while the importation (cost price) is about $1,100,000. The domestic industry in this line during the last twelve years shows a steady increase. Comparisons as to labor costs are misleading and give no true idea in any way. It must be remembered that in the material cost of a pocketknife the steel is but a very small item wheresoever the pocketknife be made. The domestic manufacturer makes a profit which enables him to call himself prosperous and to employ his workman at a wage claimed to be three times larger than the German and twice that of the British workman. Whatever be the labor cost, it remains true that the domestic manufacturers are increasing in numbers as well as output.

Razors and razor blades under section 153.

Razors have three standards:

No. 1. Valued at less than $1.50 per dozen, 50 cents per dozen and 15 per cent ad valorem.

No. 2. Valued at $1.50 and less than $3 pay a duty of $1 and 15 per cent ad valorem.

No. 3. Valued at more than $3 per dozen, pay a duty of $1.75 per dozen and 20 per cent ad valorem.

	Amount imported.	Duty collected.	Average ad valorem rate.
			Per cent.
No. 1	$141,607.47	$79,904.00	56.43
No. 2	296,315.25	162,534.65	54.85
No. 3	95,981.16	54,224.55	56.49
Total	533,903.88	296,663.20	.....

It will be found that the average rate of duty is 55.53 per cent on all grades.

According to the statement presented to your committee, there are but 5 factories in the United States making razors. This, of course, does not include what may be called a specialty, the safety razor. It would seem that there about 400 men employed in the industry, and that the product is about $400,000 a year in value.

The manufacturing of razors to-day, and especially in the United States, is largely machine work, which can be turned out as cheaply in the United States as in any other country.

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Scissors and shears under section 153.

They are divided into three classes:

No. 1. Up to 50 cents per dozen pay a duty of 15 per cent ad valorem.

No. 2. Valued between 50 cents and $1.75 per dozen pay a duty of 50 cents per dozen and 15 per cent ad valorem.

No. 3. Valued at more than $1.75 per dozen pay a duty of 75 cents per dozen and 25 per cent ad valorem.

	Amount imported.	Duty collected.	Average ad valorem rate.
			Per cent.
No. 1	$50,196.50	$26,208.45	52.21
No. 2	243,828.94	141,147.13	57.89
No. 3	188,326.01	86,581.21	46.00
Total	482,351.45	253,936.79	.....

The average ad valorem rate is 52.86 per cent.

The ad valorem duty on this item would help materially to place in the hands of the consumer a better article than can be obtained at the present day. It should be kept in mind, as will be seen from the table, that the average rate of duty is a great deal higher on a percentage basis than at first sight an inspection of the table would suggest.

Scissors are an absolute necessity in every family. It is an article that is used by everyone, and, consistently with all the propositions of duty to the Government, the consumer should have a fair chance to get the best article obtainable for the money. The manufacturing of scissors is to a great extent confined to Germany. The American manufacturer, it is true, in the cheaper grades of cast scissors or malleable-iron shears or in the better grades of what is known in the trade as trimmers and shears is controlling the market here; and, going further, they are even exporting them to Germany and England.

TABLE CUTLERY.

The cutlery clause (section 155) also fixes a combination duty, except the omnibus clause, which provides for 45 per cent ad valorem.

The importation of table cutlery under section 155 was of the value of $174,835.44, paying duties amounting to $87,187.26, the equivalent ad valorem rate being 49.87 per cent.

It appears that the committee of the table cutlery manufacturers which appeared before the Ways and Means Committee voluntarily suggested a reduction in the tariff. The present average rate is about 49.36 per cent, and it appears to your petitioners here that a straight ad valorem duty should be imposed which will meet the wishes of the American manufacturers of table cutlery, furnish them with adequate protection, and give the Government its revenue.

Respectfully submitted.

GEO. WOSTENHOLM & SON,
J. A. HENCKELS.
VOM CLEFF & CO.
A. L. SILBERSTEIN.
GRAEF & SCHMIDT.
S. R. DROESCHER.
F. A. KOCH & CO.
WESTER BROS.
KRUSIUS BROS.
SCHMACHTENBERG BROS.
MAX KLAAS.
MONTAGUE LESSLER, *Counsel.*

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RAZORS.

[Paragraph 153.]

THE J. R. TORREY RAZOR COMPANY, WORCESTER, MASS., CLAIMS THAT FOREIGN WAGES OF RAZOR MAKERS ARE LESS THAN HALF THE WAGES PAID IN THIS COUNTRY.

WORCESTER, MASS., *February 25, 1909.*

Hon. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Since mailing our statement of November 24, 1908, we have investigated further into the importation and tariff on razors, the differences of wages paid our workmen and wages paid abroad.

From reliable information we find that the foreign workmen get less than one-half the wages that are paid for the same class of work in this country. The United States government reports show that there were imported for the fiscal year ending June 30, 1907, over 255,000 dozen razors and razor blades, of which quantity 117,000 dozen were entered at the low average price of $1.21 per dozen and about 118,000 dozen at average price of $2.51 per dozen. The fact that this large quantity of razors was imported at these very low prices shows that wages must be extremely low abroad and bears out our statement that American manufacturers of razors are paying double the wages paid by foreign manufacturers for same class of work.

In view of this large importation of low-priced razors, we respectfully ask that the tariff on the two lower classes of razors be amended to read as per schedule attached to this letter.

We submit that these slight changes will make no difference whatever in the price of razors to the user, as it is well known that there is a large margin of profit between the importer, jobber, retailer, and user. We submit that the quality of American-made razors is fully equal, if not superior, to the quality of razors made abroad, and that with adequate protection this country can easily produce its entire supply of razors, and at the same time prices to the user will be no higher, and with the sharp home competition which now exists will constantly grow less.

Yours, very truly,

J. R. TORREY RAZOR CO.,
J. R. TORREY, *Treasurer.*

EXHIBIT A.

Razors and razor blades, finished or unfinished, valued at less than one dollar and fifty cents per dozen, seventy-five cents per dozen and fifteen per centum ad valorem; valued at one dollar and fifty cents per dozen and less than three dollars per dozen, one dollar and twenty-five cents per dozen and fifteen per centum ad valorem; valued at three dollars per dozen or more, one dollar and seventy-five cents per dozen and twenty per centum ad valorem.

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FILES.

[Paragraph 156.]

SAMUEL M. NICHOLSON, OF PROVIDENCE, R. I., FILES SUPPLEMENTAL BRIEF RELATIVE TO THE FILE INDUSTRY.

PROVIDENCE, R. I., *Janaury 21, 1909.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.:

Owing to the fact that I was not advised, and therefore could not be adequately prepared, for the particular line of inquiry your honorable body intended pursuing at the hearing of January 15, 1909, regarding the file industry, and believing that the testimony there deduced is not as convincing as the actual facts warrant of the contentions set forth in my brief, now on file, I beg leave to file the following supplemental brief and ask for it your most earnest consideration:

First. Permit me for your fuller information to call your attention to the importations of files and rasps since 1893, as set forth in Exhibit A, attached hereto.

Second. A list of the most prominent machine makers of files and rasps in the United States is also hereto attached and marked "Exhibit B," with no one of whom has any of the representatives of the Nicholson File Company, to my knowledge, in any way had any communication regarding the question of tariff. Neither has this company any trade agreements with any of them relative either to domestic or foreign business other than that entered into November 1, 1899, when a uniform selling list was adopted, which in no wise governs or affects discounts or net selling prices. No concerted action has ever been taken in fixing discounts from this list or terms of sale, all of which each manufacturer establishes independently for himself. Those marked with an asterisk are known to seek foreign fields and to market abroad a portion of their product direct. It should not be difficult to ascertain from any of these makers whether or no the present profit on their net investment is, in your opinion, of a reasonable or unreasonable amount.

Third. Although the manufacturers marked with an asterisk are known to do an export business, they depend to such an extent upon the New York export commission houses that they may not be in possession of reliable or comprehensive information regarding the standing of foreign competition and its ability to produce cheaply and in large quantities, and hence may not be able to accurately judge of the effect upon the capital and labor similarly employed in this country were tariff reductions to open the door to domestic competition.

Fourth. As indicative of the trend of foreign conditions affecting the demand for American-made files, I beg to call your attention to data gathered from our correspondence, which, with brief explanatory detail, are set forth in Exhibit C, relating to Japanese conditions; Exhibit D, relating to English conditions; Exhibit E, relating to German conditions; all of which are hereto attached.

Somewhat similar evidence could be furnished, if desired, regarding France, Austria, and Sweden, and it seems to hinge only upon the question of opportunity when this country will become the com-

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mon "dumping" ground for the surplus foreign product, and to an extent and cost disheartening to contemplate for the American producer.

Fifth. In further explanation of certain portions of the testimony submitted at the hearing of the 15th instant permit me to say that, while the volume of file and rasp imports into this country averages less than 2 per cent of this country's output, is it not a fact that of the many hundreds of iron and steel products regularly carried in stock by the ordinary hardware merchant, not more than 5 per cent of them show any importations whatever into America, and of this small percentage the total amount imported does not exceed 1 per cent of this country's output? Such is the fact, I am very well advised, and applies in nearly the same percentage to many other lines besides hardware.

Referring to the testimony of the relative wage scales in this country and Canada, it should, of course, be borne in mind that a fair comparison of the two scales should of necessity be upon equal bases of size, output, and character of equipment. In other words, with a factory of equal size and similarly equipped as is our factory at Port Hope, Canada, but located in the United States, the cost of manufacture here would be greater than that in Canada.

The point was raised by one of the committee that the German tariff appeared to be less on the small sizes than on the large sizes of files, and no satisfactory explanation could be given by the witness. It appears, however, that their tariff is based on 100 kilos., which being converted into the different weights per dozen in pounds, shows the following actual duty on one of the common shapes of files as an example, and demonstrates that German protection is graded according to the size and value of files, as in America.

Kind.	Weight per dozen.	Duty per dozen.
		Cents.
6-inch hand	2 pounds 5 ounces	10
12-inch hand	14 pounds 4 ounces	39
15-inch hand	43 pounds 10 ounces	47

In conclusion, permit me to call your attention once more to the matter of net profit yielded this company upon its 1908 business, which, better than anything else, would seem to gauge the entire question. As stated at the hearing, our total dividends paid for the year aggregated 10 per cent upon the capital, while net profit upon the net investment figured a little under 10 per cent. These figures should conclusively show that notwithstanding the argument to the contrary by one member of your honorable body at the time of the hearing on the 15th instant, it would be hardly possible to make any reduction in tariff rates without a corresponding reduction in profit, unless the resulting difference is compensated for in cost schedules.

Respectfully submitted.

NICHOLSON FILE COMPANY,
SAML. M. NICHOLSON, *President.*

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EXHIBIT A.

Imports of files, file blanks, rasps, and floats (dutiable).

	Value.
1893	$76,356
1894	36,800
1895	65,594
1896	64,226
1897	47,407
1898	35,344
1899	42,760
1900	59,707
1901	59,779
1902	72,293
1903	82,485
1904	67,812
1905	87,292
1906	59,708
1907	86,652

EXHIBIT B.

List of the most prominent machine makers of files and rasps in the United States.

[Those marked * known to do an export business.]

*H. Disston & Sons, (Incorporated), Philadelphia, Pa.
*McCaffrey File Company, Philadelphia, Pa.
Liveright Brothers, Philadelphia, Pa.
*Heller Brothers, Newark, N. J.
Madden File Company, Middletown, N. Y.
Simonds File Company, Fitchburg, Mass.
F. Westfahl & Co., Milwaukee, Wis.
A. Bickhaus & Co., Quincy, Ill.
Carver File Company, Philadelphia, Pa.
American Swiss File and Tool Company, Elizabeth, N. J.
Rex File Company, Newcomerstown, Ohio.
Colonial File Company, Boston, Neponset, Mass.
Troy File Works, Troy, N. Y.
Chicago File and Rasp Company, Chicago, Ill.
Stokes Brothers Manufacturing Company, Freehold, N. J.
McClellan File Company, Cleveland, Ohio.
Hays File Company, Detroit, Mich.

EXHIBIT C.

FILE BUSINESS IN JAPAN.

About seven or eight years ago the duty on files imported into Japan was 5 per cent ad valorem. This has been increased from time to time until it is now 20 per cent ad valorem. Under these changed conditions the manufacture of files in Japan has increased very largely, and whereas a few years ago there were only a few very small shops in that country making files there are now several shops of considerable size engaged in this industry, employing from 100 to 500 hands each.

With the extremely low wages prevailing in Japan, files can be made in that country at such a cost that it is becoming practically impossible for us to compete for business there.

In the year 1906 our sales to Japan amounted to about $60,000 net; in the year 1907 they were just over $10,000 net; and in the year 1908 they were less than $1,200 net.

We therefore ask you to consider the following:

First. The Japanese manufacturers' home market is limited.

Second. Their capacity to produce is already large and is constantly increasing.

Finally: What can we naturally expect them to do with their surplus production when their other products are found in all markets of the world?

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One of our representatives has been in Japan within the last four months, and we give you below data from his letters, describing conditions in that country in regard to the file business:

H. (who has been our largest customer in Japan) held in September, 1908, a stock of our files amounting to 8,706 dozen; he is desperately anxious to get rid of this stock and is willing to stand a heavy loss in order to do so, but finds great difficulty because Japanese file manufacturers are now quoting prices so much under his cost.

C. & Co. (one of our leading customers in Japan) held in September, 1908, a stock of 3,468 dozen, and want to clean out this stock and not carry American files any longer, because they can not make a profit on them.

S. K. (who is a Japanese dealer in hardware and has been known for many years as one of the largest dealers in American files) has sold his entire stock of our files at a very low price and has dropped altogether the business of dealing in American files.

C. & J. Tdg. Co. told our salesman that they are importing large quantities of file steel rolled into bars of exact dimensions for files of all sizes, on which duty is only 7½ per cent as against 20 per cent on finished files.

In his last letter from Japan our salesman writes: "I have been unable during my entire present trip to accomplish anything here; all attempts on my part to sell files have been fruitless. I do not think that we may expect from Japan in future business of any material amount."

EXHIBIT D.

FILE BUSINESS IN GREAT BRITAIN.

About ten years ago we found in our efforts to sell files in England and Scotland that no price was quoted by English file makers lower than about 65 and 5 per cent from the Sheffield list. In the last five years, and especially in the last two years, great changes have taken place in the manufacture of files in England. Many makers have largely discontinued the old methods of hand cutting of files, and have put in thoroughly modern machinery. Some of the largest and most powerful concerns in Sheffield have put in thoroughly up-to-date plants, and the results are to-day that they have very largely reduced their cost of manufacture, and we frequently find that they are quoting prices that we can not meet. It must be borne in mind that in addition to having the advantage of these new and up-to-date plants Sheffield makers have the great advantage of very much lower wages than those prevailing in this country. Our business in Great Britain is, therefore, falling off; and we frequently find that Sheffield makers are underquoting us in other parts of the world. The following situation, therefore, is evident:

1. Sheffield makers formerly held practically the entire file trade of the world.
2. They have lost a considerable part of their trade to American, German, and other competitors.
3. They have now revolutionized and thoroughly modernized their plants and methods of manufacture.
4. They are even now making strong and successful efforts to recover the trade that they have lost in various quarters.
5. If the tariff on files in this country is reduced and they are thereby given an opportunity to compete for the file trade of the greatest file-using country of the world, what effect may be expected on the business of file manufacturers in this country who have to pay very much higher wages?

Extracts from letters from our direct representative in Great Britain.

January 2, 1909: We emphatically state it as our opinion that Sheffield prices will not be raised from their present level. Such a movement back has no precedent in this market, and their present prices are too general to admit of same. The following firms have quoted these low prices and even a greater discount for two years past, some of which period included good times. (Here follows a list of 12 of the largest and best known file-making concerns in Sheffield.)

English file situation.

November 14, 1908: This country having held until a generation or so ago the file trade of the world is bound to be a hotbed of difficult situations. Any concern with any mercantile ability engaged in the file trade is able to do something in this country of vast buying capacity. Some Sheffield makers are satisfied to make their prices only low enough to enable them to retain the bulk of their connection, and these are the ones that quote freely these low prices. On the other hand, there are powerful concerns

like H. H. & Co. who take in hand file making as practically a new branch of their business, lay down a plant that is recognized by all Sheffield file manufacturers as being a model, and become a new factor in the trade. They realize that they have no established brand and reputation to rely upon, and that their opportunity lies in producing files at a very low cost consistent with fairly good quality; consequently they must do better than the existing firms of reputation, and they quote 10 per cent or more below those figures. Such concerns as these probably have very little foreign trade, and it may be some little time before you feel their competition in your other export markets. At the present time their attention is concentrated on trade in Great Britain. In addition to concerns like this, there are a number of small makers who quote similar prices and sometimes better.

Extract from letter from our direct representative in South America, dated Valparaiso, December 20, 1908.

I have to advise you that at the present time there is in Valparaiso a big competition in our line, but it is not with Disston's files but with English files, which are pushed very hard and offered at better discounts than ours.

EXHIBIT E.

FILE BUSINESS IN GERMANY.

For some years we have been doing business in Germany, but in the last year or two it has been a decreasing business and is limited practically to certain files for a special use for which our goods have acquired a reputation in Germany, and under present conditions we can not hope to long retain this.

It is significant that in kinds of files for other uses we can not do business there, and the kinds in which our business consists constitute a very small percentage of the total file consumption of Germany. In all these kinds in which we fail to secure trade German makers supply files of a quality satisfactory to consumers at considerably lower prices than we can supply them, and this in spite of the fact that the duty on files in Germany is a very low one.

The competition from German makers is illustrated by the following extracts from a letter just received from our direct salesman, dated Shanghai, December 19, 1908. This relates to business in the Philippine Islands:

"S. & Z., Manila. It is interesting to learn that they have registered their brand in America. As a matter of fact, practically all of the files of this brand, which they import from Germany, are 10, 12, 14, and 16 inch flats and half rounds, and they sell them to Chinese dealers at prices 25 per cent to 33⅓ per cent below the equivalent of 70 per cent off the Sterling list (70 per cent is the price which we allow to importers in Manila.) In view of the big difference in price, it is apparent that we can not get their trade in large files."

S. & Z. are one of the largest importers of files in the Philippine Islands.

This indicates the great strength of the competition which we are now getting from German makers in markets where both our files and German files have to pay the same duty. This is true, not only of the Philippine Islands, but of markets in South America, various countries of Europe, and elsewhere. It also indicates what might be expected from German competition in this country if the duty on files, clauses 3 and 4, now existing under our present tariff, should be reduced and they could use this country as a dumping ground.

W. H. JOHNSON, VALLEY FALLS, R. I., SUBMITS STATEMENT RELATIVE TO THE FILE AND CUTLERY BUSINESS.

VALLEY FALLS, R. I., *January 27, 1909.*

CHAIRMAN OF WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: My attention has been called to printed report contained in Iron Age publication of the file-manufacturing industry, as represented by Mr. Nicholson, of Providence, R. I., and I inclose a printed slip taken from a Providence newspaper, giving market quotations of stocks, which includes that of the Nicholson File Company.

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Many of our New England industries are earning large dividends upon watered stock. They, the manufacturers, have acquired monopolies of their products by the aid of the tariff, and thus increased the price and lowered the quality of their products. The imported files that came into our markets previous to the period of our civil war were far superior to the Nicholson article, and I think sold for a less price.

Another class of manufacturers who have sadly abused the favors that the tariff afforded are the cutlery producers. Not only have they increased the selling price, but have well-nigh destroyed the usefulness of their goods by lowering the quality of the steel used in process of manufacturing their goods.

I have been engaged in the business of retailing hardware for twenty years, and I wish to state to your honorable committee that the two evils mentioned in this communication have been very apparent to all people who have had a direct interest in this matter. I have reference to the exorbitant high prices and the lowering of the quality of material used.

The advance of price for some lines of builders' hardware has been 70 per cent, with but a fraction of that advance in cost to manufacture.

Where the manufacturers have not pooled their business in a trust formation they have combined upon an agreed selling price, and then fixed the selling price for jobbers to retailers in a very arbitrary manner, leaving the retailer to contend with high prices and merciless competition.

Very respectfully, yours,

W. H. JOHNSON.

PROVIDENCE STOCKS.

Following are the official quotations from the Providence Stock Exchange, January 26:

Nicholson File, par, $100; asked, $220.

SAMUEL E. CARVER, PHILADELPHIA, PA., WRITES RELATIVE TO THE FILE INDUSTRY AND LABOR COST.

PHILADELPHIA, PA., *January 27, 1909.*

WAYS AND MEANS COMMITTEE.

GENTLEMEN: Respecting file tariff: Having read testimony of Mr. Samuel T. Nicholson, of Nicholson File Company, I would be pleased to add my testimony, having had thirty-two years' experience in file manufacturing in the United States.

In 1876 most of the files made in the United States were handmade throughout, and we sold on English list as now used in Europe and demanded by exporters to-day from American manufacturers exporting. In 1881 the file manufacturers of America adopted their price list, and the same association of manufacturers revised their price list in 1885 and 1897, and that list is still used. Many of the large file manufacturers were absorbed by the Nicholson File Company soon after the 1897 list was adopted, and their meetings ceased. Independent file manufacturers altogether do not make over 1,000,000

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dozen files in one year, say, 1908, and there were not over 4,000,000 dozen made in the United States during 1908. The Nicholson File Company make 85 per cent of all made in the United States.

Labor here for boys of 16 years is $5 to $7 weekly; men running machines, $2 to $3 daily. Germany pays same labor less than 50 per cent of above; England pays a little over 50 per cent of American prices for same labor. Labor is 33⅓ per cent of cost of production; steel, 33⅓ per cent of cost of production; management and profit, 33⅓ per cent of cost of production. Price for crucible steel files to jobbers, Government, and railroads is 75, 10, and 5 per cent from American price list; and for open-hearth steel files 80, 10, 10, and 5 per cent to same purchasers. Cheap labor is put upon cheap files throughout. The American price list is at least 20 per cent higher than the English list. The English price ranges from 50 to 70 per cent from English list, according to kind of steel used in files (crucible or open-hearth). I have the various lists adopted; if you so desire, I will forward them to you.

Yours, truly, SAMUEL E. CARVER.

ENAMELED WARE.

[Paragraph 159.]

THOMAS K. NIEDRINGHAUS, NEW YORK CITY, REPRESENTING ENAMELED-WARE INDUSTRY, ASKS AN INCREASE OF DUTY.

NEW YORK, *February 10, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: On November 21 last we filed with your committee a short brief relative to the needs of our industry. We now beg to present an amplification of our proposition, in order to justify our petition for a small increase in the duty on imported enameled ware.

Briefly, the facts set forth in our original paper were: First, that ours is an industry employing upward of 15,000 work people; second, that about $20,000,000 is invested in our several plants, manufacturing various metal products, scattered through 10 States; third, that under the present tariff act an anomaly exists, in that the steel shapes, the base of enameled ware (duty 45 per cent), pays on importations 5 per cent more duty than is levied on the finished product, upon which over 15 per cent additional labor cost is expended; fourth, that under the administration of the customs, by gross and persistent undervaluations, the intent of Congress has been nullified to the advantage of certain importers of the ware; fifth, that by the operation of the so-called "German treaty" greatly diminished export values are being taken instead of market values; sixth, that false packing and invoicing of the foreign goods has proved a serious handicap to us as American manufacturers in our efforts to compete with the imported goods, and, seventh, that the volume of imports since 1895 has increased nearly 3,700 per cent.

We respectfully invite your attention to the communication of Messrs. Stransky & Co., Rotschild, Meyer & Co., The Standard Enam-

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elware Company, and Markt & Co. (Limited), dated December 4, 1908, addressed to your committee. These gentlemen are importers who not only deny the correctness of our claims but ask that the present rate of duty (40 per cent) be reduced to 30 per cent.

While hesitating to make this presentation controversial, we are constrained to briefly point out inaccuracies in the contentions of the signers of that paper. Our justification lies in enabling your committee to draw a fair conclusion when both sides are presented. The importers allege that we are a "trust." This is not only untrue but is very misleading.

The whole enameled ware industry embraces 30 separate and distinct manufacturing companies, making and selling their product in open and sharp competition, 14 of whom have, for tariff-revision purposes only, designated the undersigned to act as their chairman to present their common views to you. We are ready to supply their names if you so desire. The balance of the United States manufacturers, 16 in number, are located in New York, Ohio, Illinois, Wisconsin, and West Virginia, all actively and independently seeking trade, so that the allegation that a trust exists is shattered.

To our assertion that the present rate of duty is anomalous, wherein the metal shapes pay 5 per cent more duty than the completed ware, our friends, the importers, say this "is a specious argument, but not an accurate one;" such a statement is merely words, whereas Treasury facts amply support our contention.

Messrs. Stransky et al. attempt to answer our claim of gross undervaluation by the importers of enameled ware by saying that such "insinuations * * * are absolutely without foundation, as is shown by official reports;" they admit, however, two cases of undervaluation of something like 12 to 15 per cent occurring during the last year, but even then they would have it appear such cases did not involve themselves; in other words, they were not the undervaluers. Let us see what the facts are:

Since filing our brief the undersigned addressed the Secretary of the Treasury in reference to this matter of undervaluation and the numerous reports which have been made by confidential officers on this subject as well as to efforts made to check misrepresentation respecting values, which evoked the following reply:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 2, 1909.

Mr. T. K. NEIDRINGHAUS,
National Enameling and Stamping Company,
St. Louis, Mo.

SIR: The department has received your letter of the 28th ultimo concerning importations of enameled ware. In reply to your inquiry you are informed that during the years 1902, 1903, and 1904 there were numerous advances made on such ware on information furnished by confidential officers stationed abroad, which advances were, as a rule, sustained on reappraisement. Since the year last named there have been occasional advances, some of which have been confirmed and in other instances the entered values sustained. The information as to values, etc., obtained by officers stationed abroad has been promptly furnished to appraising officers for their official action in the assessment of duty on all imported merchandise.

Respectfully,

J. B. REYNOLDS,
Acting Secretary.

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We regret that the reply of Mr. Reynolds was incomplete, for, in its brevity, important facts were omitted: The letter, however, speaks of the undervaluations going back into the period of 1902 and the advances which were sustained. Perhaps a little of the missing data may properly be set forth by us:

Undervaluations of enameled ware grew active at the port of New York during the latter part of the fiscal year of 1902, so that in 1903 and 1904 only about $50,942 and $20,000, respectively, were collected by the Treasury Department in increased duties and penalties in correcting the same. Nineteen hundred and five yielded about $15,000, 1906 and 1907 about $6,000 each, while in 1908 the results were less productive, because the appraising officers had become wearied by the frequent reversal of their action in advancing values to make "market values" by the Board of General Appraisers, who, after the "German treaty" agitation deemed it inexpedient to sustain the appraisers. Values for duties since 1905 have been steadily declining. No less than four elaborate investigations were made abroad by the confidential officers of the Treasury Department, and undervaluations, varying from 15 to 40 per cent, were proven, with advices of a foreign operating syndicate.

That the customs officers and the Board of Appraisers at New York were kept busy on these undervaluations is attested by the number of cases which came before the latter for action, many involving, as the records show, some of the signers of the importers' memorial to your committee.

Since 1899 the services of the Board of Appraisers have been invoked 145 times re enameled-ware undervaluations, 84 times sustaining advances and in 61 instances affirming entered values. In the latter cases it appears that the Board of three General Appraisers each time reversed the action of the appraiser and the single general appraiser.

Importers have persistently claimed that the goods were made solely for export to the United States, hence had no open value in the foreign market. It is true that some foreign manufacturers have made and shipped certain so-called "American shapes," often not completely finished, the object being obvious.

As to high-grade goods being ultimately ruled as "seconds" and "thirds" (in quality), customs records can attest the accuracy of this statement showing how the appraising officers have been reversed. Another farce has been enacted in the importation of alleged "auction ware," which went into stock and was not, immediately after arrival, knocked down to the highest bidder.

Custom-house and Treasury Department files, if scanned, will show that the goods of one of the signers of the importers' brief have figured conspicuously in reappraisements at New York and other ports. When values were being steadily advanced at New York, the said importer, in order to avoid increased duties and penalties, has diverted his importations from New York to other ports of entry, in order to escape assessment of full duty. At southern and Gulf ports the merchandise in many cases easily slipped through at undervalued prices, thence on to the interior for distribution and consumption.

We are quite willing to concede the truth of one assertion of the importers, i. e., "* * * that the imported goods [enameled ware]

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have come in under the full glare of the lime light." May we ask why was the "lime light" necessary when the merchandise was under the customs inspection? In view of the above facts, what becomes of their statement that "the charges of undervaluation against us are proven to be absolutely without foundation?"

In relation to the "German treaty" and these importers' connection therewith:

In their brief they say that "export prices for enameled ware are higher than the ordinary market value in that country." They admit that "this is rather an unusual circumstance," and rely upon a certain general appraiser to substantiate such a statement. We ask, what worth, then, has the "German treaty" to our importing friends, and what are the facts possessed by their informant?

The truth is, under said treaty, chamber of commerce certificates of export prices, lower than market values, were and are designed to facilitate the passing of imported goods, so as to minimize the duties to be collected. It has been found that shippers are often members of the said chambers of commerce and naturally favor their consignees.

The exporter, under instructions from his American consignee, claims, before the United States consul, that the goods he is shipping are for American market only and have no open-market price abroad; hence the export price is the certified price by the chamber of commerce. The shipper's statement is not made under oath. When the goods arrive in the United States and are entered, the invoice and "certificate" attached are accepted and the goods so passed "under orders," although the customs examiners know that the values are too low, but their views are overruled.

It is within the knowledge of the Departments of State and Treasury that Mr. Stransky appealed to the German foreign office for assistance against the efforts which the United States appraising officers were making to correct his invoice values, which were being continually advanced. He claimed, as stated in the public prints, that he was being pursued by the customs officers. The results were the German foreign office invoked our minister, and the German minister in Washington solicited the Department of State and, later, the Treasury Department to deal less severely with Stransky's importations.

We are glad to note that the importers admit that a certain general appraiser visited Germany and "investigated conditions of the business there." They do not, however, state as to how the official in question successfully uncovered the false packing of some 15 or more cases of enameled ware, then cased, ready for shipment to New York, which, though invoiced as "seconds," were in fact first-class goods and which, later, as the reappraising officer, he advanced to full values, imposing penalties.

As to the imports of enameled ware into the United States, the importers would have you believe that the quantities are trifling and have no appreciable effect on the American-made goods offered in our markets. The below table shows the growth of imports since 1895 and the ad valorem rates of duty collected under the last two tariff acts.

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Sheets, plates, wares, or articles of iron, steel, or other metal. (*Acts of 1894 and 1897.*)

[No. 2201. Enameled or glazed with vitreous glasses under general tariff.]

Fiscal year ended June 30—	Rate of duty.	Value.	Duty collected.	Average ad valorem rate of duty.
	Per cent.			*Per cent.*
1895	35	$23,885.00	$8,359.75	35
1896	35	30,929.50	10,825.33	35
1897	35	57,580.78	20,153.27	35
1898	35	4,309.00	1,508.15	35
	40	61,540.22	24,616.09	40
1899	40	52,225.22	20,890.09	40
1900	40	125,304.18	50,121.66	40
1901	40	252,142.33	100,856.93	40
1902	40	463,553.00	185,421.20	40
1903	40	766,413.50	306,565.40	40
1904	40	670,059.97	268,023.99	40
1905	40	721,509.00	288,603.60	40
1906	40	901,845.22	360,738.10	40
1907	40	907,268.87	362,907.54	40

Increase since 1895, 3,700 per cent.

In their brief the importers say: "The cost of producing most of the enameled ware made in the United States is less than it is abroad." And while "labor may receive twice as much per hour in this country, it produces twice as much per hour * * * there is little or no difference in favor of their cheapness abroad." "As a result, certain goods from abroad have undoubtedly been brought in which compete with the domestic goods, but the competition is, after all, extremely limited." In their closing they wonder that we should be concerned in the importations into this country, coming, as they say, from "such a small competitor."

According to Doctor Wupperman's "Die Industrie Enamirter Blechgeshirre in Deutchland," published in 1907 by G. Braunscheu, Karlsruhe, Baden, Germany, reference is made to fourteen enameled ware works, with 92,321,000 marks aggregate capital, equal to $8,297,834.

All foreign countries, except Great Britain, have protective tariffs on enameled ware.

Austria-Hungary assesses an equivalent ad valorem rate of duty of about 61 per cent, Sweden 78 per cent, France 34 per cent, Russia 84 per cent, Italy 34 per cent, Spain 32 per cent, and Germany 11 per cent, the latter being a "conventional duty." The fact must not be overlooked that in the foreign countries named the import duty is levied upon the weight, i. e., so much per 100 kilograms, not on the value, and, as the Europeans use lighter metal sheets for the base of their ware, they get more pieces per 100 kilograms, consequently, comparing ware for ware, the foreign ad valorem duty must be appreciably in excess of the rates above given.

The United States rate of duty on enameled ware (40 per cent) is less than is imposed by Austria-Hungary and Sweden, countries of our greatest competition and where cheapest labor prevails. The eminent Doctor Wupperman (p. 52) laments the fact of lower wages in Austria-Hungary than in Germany. He states that the German manufacturers have been obliged to sell cheap, and in the last fifteen years they have been running at little profit.

The wages paid in Germany, per Doctor Wupperman (p. 21), are: In Silesia, 24 cents to 32 cents per day; in Saxony, 50 cents per day;

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and in other parts of Germany, 57 to 62½ cents to women. Paid to men in Germany (northwestern part), 62½ cents to $1.50; in Saxony, 50 cents to $1; and these rates are 10 to 20 per cent higher than they were fifteen years ago.

Wages in the United States average for men $2.25 per day, and to women $1.50.

Wages paid in an illustrative American enameled ware works, and those ruling in Germany, when compared, show the following:

Employment.	Wages per week.	
	Germany.	St. Louis, Mo.
Picklers	$4.00	$10.50–$12.00
Annealers	3.00	11.00– 12.00
Men	5.50	(a)
Dippers, girls	2.00	6.00– 7.00
Burners	5.00	b 11.00– 15.00
Burners, helpers	3.00	.....

a None. b Includes helpers.

The St. Louis wage rates being "unionized" are somewhat higher than prevail in many of the nonunion works in this industry.

The importers erroneously claim that the cost of producing enameled ware in this country is less than abroad; while they allow that United States labor receives twice as much per hour, they are very wide of truth in saying that the American labor is twice as productive.

The American labor cost is more than three times greater than in Europe, and in regard to efficiency, the foreign worker (from early youth trained in the trade, with longer working hours and under the stimulus that he will lose his job if slothful) turns out goods in quality and quantity equal to our most skilled and expensively trained work people.

When the imported goods reach the United States they are favored by a differential freight rate to interior points, being less than charged on American-made goods. This is especially true as to foreign goods entered at Gulf ports. For instance: New Orleans to St. Louis on imported ware averages over 30 per cent less than on domestic, and from Galveston to St. Louis some 40 per cent less.

It is known that in order to stimulate exportations from Germany and Austria certain taxes and dues are remitted and special transportation rates are given on export goods to the seaboard.

Some years ago American enameled ware was shipped to Germany, but legislation and restrictions and, later, cheaper foreign production made exports impossible, and now Germany, Austria and Sweden are dumping their product into this country at such prices that if an adequately protective duty is not assessed to compensate for the difference in the labor cost we must cease manufacturing and our 15,000 work people will be compelled to seek other employment.

We feel that we are within bounds when we state that the present rate of duty of 40 per cent is inadequate, owing to the below reasons:

Fifty per cent less foreign labor cost; one-third less foreign cost of materials; preferential foreign railroad freight rates, factory to seaboard; remission of certain taxes to stimulate exports; very low ocean freights to the United States; undervaluations and false grad-

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ing of quantities; differential freights to interior; hence the present duty of 40 per cent, in application, is reduced nearly one-half.

Consul-General Richard Guenther, at Frankfort, Germany (see Consular and Trade Report No. 3399, February 5, 1909), advises of the formation of an industrial combination for controlling production and prices by manufacturers of enameled ware. Against all of these conditions we can not prevail, and, therefore, we beg respectfully to ask that paragraph 159, Schedule C, be amended to read:

Sheets, plates, wares, or articles of iron, steel, or other metal, enameled or glazed with vitreous glasses, forty-five per centum ad valorem.

We will subsequently submit data, recost of production in this country and abroad, with other important facts which are now being collated.

Respectfully, THOS. K. NIEDRINGHAUS,
Chairman Committee representing the Enameled Ware Industry of the United States.

ENGRAVERS' ARTICLES.

[Paragraphs 166 and 193.]

THE FRIENDLY SOCIETY OF ENGRAVERS RECOMMENDS A SPECIFIC CLASSIFICATION FOR COPPER ROLLERS, ZINC PLATES, STEEL DIES, AND STEEL MILLS.

WASHINGTON, D. C., *February 6, 1909.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: The Friendly Society of Engravers, having a membership of 347 active and 44 honorary members, respectfully request that in revising the present tariff schedule that a specific duty be placed on the following articles: Copper rollers, 12 to 66 inches long and used for the purpose of printing ribbons, calicoes, silks, oilcloths, and all kinds of cloths of cotton, silk, and other materials. Zinc plates, engraved, from which plates are traced and transferred through the use of the pantograph machine, the pattern or figures contained thereon, to a copper roller or copper rollers, as the pattern or design may call for, each color requiring a separate roller. The number of colors to a pattern are from 1 to 12. Steel dies used in the raising or making of steel mills. In making a steel die the pattern is first given to what is called a "sketch maker," who makes a working sketch of it; it is then given to a steel engraver, or die cutter, who cuts the pattern into a steel die; the die is then hardened, after which process it is then given to a clamper (also an engraver), who presses the die into a soft piece of steel called a "mill," which when finished has raised upon its surface the same pattern that was cut into the steel die. The mill is then hardened, and through it the same pattern is transferred to a copper roller, and is then ready for the printer to reproduce the pattern on cloth or cloths for which it has been engraved.

We therefore ask you to place a specific duty on the following articles:

Copper rollers, 12 to 66 inches long, per roller	$15
Engraved zinc plates, to be used in pantograph machines, per plate	10
Steel dies, used in raising mills, per die	15
Steel mills, used for engraving copper rollers, per mill	10

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There are at the present time in the United States 495 engravers to calico printers; 44 of those are on the honorary list mainly on account of being forced into other labor or business to obtain employment through lack of work. Forty-nine engravers are at present on our unemployed list, ready and anxious to accept a situation, and there are 104 engravers to calico printers who are not members of this society. The percentage of nonmembers who are out of work we are unable to say. The scale of wages paid to engravers to calico printers in the United States will average $25 per week. The scale of wages paid in England and Scotland, to the best of our knowledge, will average 30 shillings, or about $7.50 per week.

We believe in justice to ourselves as American citizens and for the protection of the American youth, who is willing and has willingly and faithfully served a seven years' apprenticeship, is entitled to and should be given all just and honorable encouragement for which our Government is noted.

Very respectfully,

THE FRIENDLY SOCIETY OF ENGRAVERS,
M. J. SULLIVAN,
Agent, 105 Crawford Street, Lowell, Mass.

SAWS.

[Paragraph 168.]

E. C. ATKINS & CO., INDIANAPOLIS, IND., SUBMIT INFORMATION RELATIVE TO FOREIGN WAGES IN SAW INDUSTRY.

INDIANAPOLIS, IND., *January 30, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

MY DEAR SIR: At the time we wrote your committee in reference to the manufacture of saws we were not in possession of information which we have since been able to secure. This information is with reference to the cost of manufacturing goods in our line in France and Germany. The difference in cost of manufacture is noted by the difference in wages paid in the United States and foreign countries. In a saw factory there are many different classes of workmen employed. It is necessary to have a large proportion of the workmen come under the head of skilled mechanics.

Saw smiths in the United States receive not less than 33⅓ cents per hour, as a minimum required by their union. From 33⅓ cents per hour their wages vary up as high as 70 cents per hour. The average wages of saw smiths in our employ would be 47½ cents per hour.

The same saw smiths in France receive 1 franc per hour; in Germany 4 marks per day for foremen and 3 marks per day for ordinary help.

Saw filers in the United States receive from 30 to 35 cents per hour; in France, 80 to 90 centimes per hour; Germany, 3 marks per day.

Saw toothers in the United States receive from 25 to 35 cents per hour; in France, from 70 to 75 centimes per hour; Germany, 3 marks per day.

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Machinists in the United States in our particular district receive a minimum of 32½ cents per hour, as required by their unions. These same men in France receive 90 centimes per hour.

Common laborers in the United States in factory work receive from 15 to 20 cents per hour, while the same class of labor in France receives not to exceed 5 francs per day.

The per day wages mentioned above means a day of ten hours in every case.

This information is correct and is received at first hand from a representative of our firm who has just returned from a visit in France and Germany, where he took particular pains to find out exactly this information.

If it is too late to file further briefs before your committee, would it not be possible for you to attach this information to our other communications with reference to this same subject?

Very truly, yours,

E. C. ATKINS & Co.

LEAD AND LEAD PRODUCTS.

[Paragraph 182.]

BRIEF SUBMITTED ON BEHALF OF A COMMITTEE OF INDEPENDENT MANUFACTURERS OF LEAD PRODUCTS, NEW YORK CITY, RELATIVE TO LEAD DUTIES.

NEW YORK CITY, *January 22, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

SIR: For some not clearly apparent reason the customs tariff laws of the United States, at least since 1872, have imposed a relatively heavier duty upon pig lead than upon any other analogous crude material. The act of 1872 made the duty on this metal 2 cents per pound, while the duty on pig iron was $7 per ton and on copper 5 cents per pound. The act of 1883 reduced the rate on iron to $6 per ton and on copper to 4 cents per pound, and the law of 1890 made further reductions to 1¼ cents on copper without changing lead or iron. Under the Wilson bill of August 28, 1894, the duty on lead was reduced to 1 cent, on iron to $4 per ton, and copper was put on the free list. When the law of 1897 was under consideration in Congress, the "silver States" became an energetic factor in the arrangement of duties, and as lead was an important constituent of most of the silver-bearing ores, a demand for a higher rate of duty on this metal was acceded to and a rate of 2⅛ cents was imposed.

The ad valorem equivalent of the duty on iron has never exceeded 50 per cent and since 1894 has been less than 25 per cent, while the duty on copper, which averaged equal to 35 per cent from 1873 to 1883, was only 9.30 per cent under the act of 1890, and was wiped out by the act of 1894. The duty on lead, meanwhile, has never averaged below 61 per cent, except under the Wilson bill, from 1894 to 1897, when it averaged 50 per cent. The duty imposed by the Dingley law was, at the time of its enactment, equal to 123 per cent of the price in Europe, and it has averaged over 67 per cent during the eleven years the law has been in force.

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The position of the metals as products of three separate industries, as well as their respective relations to other industries of which they constitute the raw materials, do not differ in any respect so widely as to justify the inequalities of the duties.

Statistics of the lead industry clearly indicate that at no period in the last thirty-two years has an increase of duties been necessary for its development, nor has that development, even under the stimulus of the excessive protection afforded by the act of 1897, been allowed to exceed largely the consumptive requirements of the country. There have been periods in the last eight years when a surplus domestic product of some magnitude was exported at from 30 to 40 per cent below the price charged the domestic consumer. Latterly, however, the control of production has passed so completely into the hands of the smelting interests that production is so far regulated as to prevent any considerable surplus over the consumptive requirements of the country, this being a more effective means of maintaining prices than the exportation of a surplus which might tend to break prices in the foreign markets.

Indeed, it would appear that the latter contingency is carefully guarded against, and that the product of Mexican ores, smelted and refined in bond in the United States and exported direct from the refinery, is not allowed to go out in sufficient quantities to produce a surplus abroad, and a steadily advancing price there during the past three or four years has undoubtedly been effected by the support given to that market by those who controlled the supply from America.

Prior to 1862 there was no provision for lead ores in the tariff, but the law enacted that year made them dutiable on the basis of 1 cent on the lead in the ore, while the duty on pig lead was fixed at 2 cents, and there was no change in these rates until 1883, when the duty on lead ore was made 1½ cents, though silver ores containing lead were admitted free. The law of 1890, however, extended the duty of 1½ cents to the lead content of all ores.

Under the several tariff laws in force since 1873 the average yearly production for the period covered by each law was as follows:

Act of 1872, ten years, average 83,186 tons.

Act of 1883, eight years, average 142,580 tons; average increase, 59,395 tons.

Act of 1890, four years, average 169,882 tons; average increase, 27,302 tons.

Act of 1894, three years, average 190,000 tons; average increase, 21,118 tons.

Act of 1897, ten years, average 285,000 tons; average increase, 95,000 tons.

Statistics of consumption prior to 1890 are not available, but from that date forward they are shown by the accompanying table to correspond closely to the sum of the supplies from all sources. That there was a similar correspondence between 1873 and 1890 is indicated by the records of stocks for the several years of that period, which show that there were no important accumulations at any time. From 1890 forward the figures are from official records, and in that period it will be noted that, with exceptional years, the production followed very closely the variations in the consumptive requirements of the country. In 1895, under the reduced duty, the in-

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creased consumption shown was provided for by an increase of imports, while in 1902 the apparent increase in consumption was met by no visible increase either of production or importation, and was really not an actual consumption, but rather a transfer of surplus stocks at reduced prices from the smelters to the consumers. That the heavy imports of 1895 were to some extent speculative and did not represent so large an increase of consumption, is probably also true, as stocks at the beginning of the year were notably light, and foreign prices during a portion of the year were at a point which encouraged importations at the prevailing rate of duty at a parity with the cost of domestic lead. The domestic price was held so high during those years that importations of pig lead were permitted by those in control of the situation to meet the excess of consumptive demand over the domestic supply. In a general way, however, the increased consumption has corresponded to the industrial growth of the country, although for ten years or more prior to 1908, the use of lead in electrical equipments has made a consumptive demand largely in excess of what would have resulted from the expansion of what had previously been the normal outlets for the metal.

In the briefs submitted on behalf of the miners it is contended that 4 cents is the minimum price for pig lead at which they can operate profitably. It appears, however, from the same testimony, that the necessity for a 4-cent price for pig lead in New York is due to the exactions of the smelters, rather than to the cost of mining, and that these exactions constitute an unwarranted tax upon the consumer. For illustration: It is stated that the miner contributes an allowance of 10 per centum for wastage in smelting, whereas the real loss is admittedly not over 2 per centum, leaving a clear gain to the smelter of 32 cents per 100 pounds on lead at 4 cents per pound. Then, too, a freight charge of $1.25 per hundred pounds is deducted. Assuming that all of the lead smelted had to bear the cost of transportation to New York, this charge could not be justified by the actual cost of transportation, but with a large share of the distribution to western points, it is perfectly evident that no such average is warranted, nor is the arbitrary allowance made by the smelters for other than New York deliveries sufficient to offset the extravagant charge which they make to the miner. The smelting charge of $8 per ton of ore, as stated in the testimony referred to, is, we believe, largely fictitious, as most of the ore is furnished in the form of concentrates, and instead of the $8 being chargeable against an 8 per cent ore, which would be 5 cents per pound on the lead content of such ore, it is really chargeable against a ton of concentrates in which the percentage of lead is much higher.

The Mineral Resources of the United States (p. 312), issue of 1883, states in relation to costs of production of lead in Missouri: "It is believed that the majority of the large producers are capable of laying their lead down at St. Louis at a cost varying between 3 and 3½ cents per pound."

An analysis of all deduction made by the smelters from the New York price in their contracts with the miner shows an excessive profit to the smelters, and indicates clearly that under reasonable charges for smelting and transportation the miner would be as well off at 3½ cents as he now is at 4 cents. Reference to the accompanying table shows that in only eight out of thirty-five years

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would a difference of 1 cent over London have resulted in a price below 3½ cents at New York, while in twenty-one years it would have given a price of 3¾ cents or higher, and in sixteen years over 4 cents. That a reduction of the price below 4 cents would prove so disastrous to the mining industry as is pictured is not a reasonable conclusion from the statistics of prices and production appended hereto. In 1893, which was a year of business depression, the price of lead fell to 3.73 cents New York, and the production was reduced to 163,982 tons, although there was a consumption of 197,000 tons, the deficiency being made up by importations. For the five years following, which included the period of the Wilson bill, the price averaged 3.17 cents, but the production increased from 162,686 tons in 1894 to 222,000 tons in 1898, a larger tonnage increase than had ever before occurred in any like period, and one which had been but slightly exceeded in any five-year period since, although conditions both as to price and consumptive requirements have all been more favorable.

Mineral Resources of the United States, 1883 (p. 311), recites: "The sharp competition between the smelters in Leadville, in Pueblo, and in Denver keeps prices for ores high." These circumstances all contribute to a heavy production. "High ores" benefit the miner. "Heavy production" benefits the consumer.

The immediate effect of the increased duty under the law of 1897 was an effort to consolidate the smelting interests, and this so far succeeded that the American Smelting and Refining Company was incorporated on April 4, 1899, with a capital of $65,000,000, of which $54,800,000 was issued, and thirteen properties were acquired, representing a very large proportion of the silver and lead smelting interests of the United States. That this consolidation was not forced by the unprofitable character of the business is evident from the fact that the prospectus of this company stated that the net earnings of the properties it had acquired amounted to $3,100,000 in 1898, when the price of lead was the same as it had been in 1897. Still greater earnings were promised as the result of the economies of consolidation, and these were so far realized from this source and from advanced prices that during its first fiscal year the company made $3,524,960. During its second year the capital was increased to $100,000,000 for the purpose of acquiring additional mining and smelting properties, and the profits increased to $6,585,103, including those of the acquired properties for the full period. For the following fiscal years the Company's profits were as follows:

Year ended April 30, 1902	$7,038,681
Year ended April 30, 1903	7,576,786
Year ended April 30, 1904	7,905,573
Year ended April 30, 1905	8,898,811
Year ended April 30, 1906	8,774,055
Year ended April 30, 1907	9,914,253
Year ended April 30, 1908	7,633,286

The capital of the company is equally divided between preferred and common stock, and the value of the properties, aside from good will and other intangible assets, is estimated to be possibly two-thirds of the capitalization, while the net profits since the second year of its existence have exceeded 7 per cent annually upon the par value of the

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entire issue of stocks. Concerning its relation to the mining and smelting industry, Mr. Daniel Guggenheim, president of the American Smelting and Refining Company, issued the following statement on December 18, 1908, which was published in all the leading New York newspapers:

As regards the lead smelting business of the American Smelting and Refining Company: Fully 90 per cent of all the lead ores of the United States and in the Republic of Mexico are now controlled by ownership of mines and by long-time contracts. These ores are either controlled by the American Smelting and Refining Company or by its present competitors. And I wish to state further that the earnings of the smelting company at the present time, as well as of the securities company, are considerably in excess of the dividends that are being paid.

How far this 90 per cent control is vested directly in the American Smelting and Refining Company it is impossible to state, for the reason that its relations to those concerns that are nominally its competitors are probably known to no one outside of its own directors. If the history of the industry for the past ten years may be accepted as a criterion of its future, there is every reason to fear that its "present competitors," whatever their number, are likely at any moment to pass under its domination if not ownership.

This practical control of the mining and smelting industry is now vested in less than a score of men, who having thus acquired complete domination of the sources of supply, have already extended their influence into the industrial fields where its product of metal is chiefly converted into the commodities of consumption. In 1903 the American Smelting and Refining Company interests formed the United Lead Company with a capital of $25,000,000, by the amalgamation of some thirty concerns manufacturing white lead, sheet lead, shot, lead pipe, and other plumbing materials, through which it sought to complete a monopoly of the production and distribution of this metal. Its subsequent transfer of the United Lead Company to the National Lead Company is not assumed to have lessened its control of the situation, if, indeed, it has not strengthened it, as may reasonably be inferred from its representation on the board of directors of both these corporations, and through them its control of the competing interests represented in the Hoyt Metal Company and the Magnus Metal Company.

The formation of the United Lead Company was helped by the danger that concerns which did not participate in this consolidation would have their supplies of lead cut off, and the fear which this danger, whether anticipated or openly threatened, was intended to inspire in those whose participation was solicited.

Besides its wide ownership in these distinct although related industries, its power over competitors is augmented by the relation which it bears to the transportation companies. It is possible that the enormous extent of its shipments would be regarded as justifying this relationship, but its effect is none the less said to have been seriously felt especially at the mining and smelting centers, where competition has been gradually but effectually checked during the past five years.

Imports of pig lead are possible only under conditions which involve the depression of all foreign markets without a corresponding depression here, and a study of the statistics given herein show that like influences affecting the value of lead have in the past operated simultaneously in the markets of the United States and Europe.

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When they are permitted to operate naturally the American miner has no reasonable ground for asking that their operation be stayed, and the American consumer has every reasonable ground for asking that it be not interfered with. With the smelting interests organized as they are at present in this country, the admission of lead from foreign ores into consumption here is only possible through the channel which these ores afford, and the competition from foreign pig lead is out of the question except on a basis with which lead made from foreign ores in an American smelter could not compete. That basis could not now exist even were the duty on pig lead the same as on lead in the ore, as is proven by the fact that the United States exports largely every year of pig lead made from Mexican or British Columbian ores smelted here in bond and sold in the European markets at the prices prevailing there, less the cost of transportation.

It is admitted, we believe, that nowhere else in the world is smelting done at less actual cost than in this country, and under the operation of the present law the smelter is given a bonus of from 7 to 8 per cent on all the lead smelted from foreign ores, by being permitted to export 90 per cent in full settlement of his bonded importation, the 10 per cent remaining being an allowance for wastage. As the actual wastage is but 2 to 3 per cent, the balance of 7 to 8 per cent is thrown into domestic consumption by him without the payment of any duty, an annual average of 7,000 to 8,000 tons. Moreover, the western smelter has a good measure of protection on his pig lead made from imported ores in competition with imported pig, in the difference between the cost of transportation on his product from the smelter to eastern markets and on the foreign material landed at Atlantic ports for shipment to the West. The freight rate on pig lead, St. Louis to New York, is 15 cents per 100 pounds, and from New York to St. Louis, 29 cents per 100. So far at least as the chief consuming points west of the Alleghenies are concerned, the western smelter has a protection of from one-eighth to one-fourth cent per pound in the cost of transporting imported pig lead from the coast to the interior. Besides this he has the additional bonus of 7 per cent in the wastage allowance to which reference has been made, and this on a 3½-cent market would be equivalent to about one-fourth of a cent per pound. It must be borne in mind this wastage is entered duty free, and as it is exacted from the foreign shipper of ore, the same as it is from the domestic miner, it is, so far as the duty is concerned, a discrimination against the domestic miner. As a matter of fact, under the operation of the present law, the miner is only protected by a duty of $1.35, that being the amount which the smelter would actually pay on 100 pounds of lead contents of foreign ores entered by him for consumption.

In his testimony before your committee, on December 16, 1908, Mr. Edward Brush, vice-president of the American Smelting and Refining Company, is reported to have said that—

> The duty on bullion can stand a reduction of half a cent a pound, while pig lead can dispense with an unnecessary three-eighths of a cent now accorded it. But these reductions mark the lowest limits that the industry to-day can stand.

We believe, however, that there is no necessity, existing or likely to occur, for any protection to the smelting interests in excess of the duty on lead in the ore, and our recommendation will be that they be made the same.

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We do not believe that a material reduction in the present duty would result in largely increased importations, except on the rare occasions when domestic consumption exceeded the productive capacity of those mines which should be regarded as available sources by reason of their producing costs bearing some reasonable ratio to the costs of production in other producing countries. It is manifestly unfair to the American consumer that the cost of lead to him should be predicated upon the exceptionally high cost of production in the most unfavorably situated mines, or those operated with the least economy, especially when those mines do not represent a large proportion of the domestic supply. The known cost of mining in the most productive mines indicates that they are capable of furnishing an abundant supply for all normal domestic consumptive requirements at a price competing with any cost at which foreign lead could be laid down here under a duty of 1 cent per pound. The effect of such a reduction would be, however, to bring the foreign and domestic markets to a close parity and render the domestic consumer in some measure independent of the interests that now control the supply of metallic lead.

In view of the facts stated in this brief, and all that has been brought out in the testimony bearing upon this subject in the hearings before your committee, we respectfully urge, on behalf of the independent producers, as well as of the consumers of lead products, the following amendments to the present tariff law:

1. That paragraph 181 of the present law shall be repealed and that the new law shall contain no provision for sampling ores, but shall leave to the Treasury Department the making of such regulations as shall safeguard the Government, but at the same time shall not, as does the present law, absolutely preclude the possibility of a small smelter bringing in lead ore. The Treasury Department can thus be held by appeal to the courts, if necessary, to make such regulations as will not put undue expense upon the small smelter for sampling, but will make the Government assume the cost of the sampling, as it does in the case of every other imported article.

2. That provision be made that on the export of pig lead, bullion or manufactured lead, an allowance of 2 per cent be made for wastage in refining and manufacturing. In other words, lead smelted in bond is not to receive back 99 per cent of duty paid on the export of 90 per cent of the lead contents as shown by test, but in place thereof upon the export of 98 per cent of the lead contents as shown by the custom-house entry.

3. That paragraphs No. 181 and No. 182 read as follows: Lead dross, lead bullion or base bullion, lead in pigs or bars, old refuse lead run into blocks or bars, old scrap lead fit only to be remanufactured, lead in any form not specifically provided for in this act, and the lead contents contained in lead-bearing ores of all kinds; all the foregoing at — cent per pound; lead in sheets, pipe, shot, traps, braziers lead, and lead wire, — cent per pound.

We have named no rate of duty in the preceding paragraph for the reason that while we regard a duty of 1 cent per pound the maximum that even the statements of mining interests which have appeared before your committee could justify, we still believe and strongly urge that any rate above one-half cent per pound will not be productive of large revenues. At the same time we are of the opinion that a reduction even to 1 cent per pound would check the absolute control of the market by any single interest, and prevent the fixing of fictitious values upon pig lead as was done by the smelters in 1906.

4. Manufactures of lead other than those in clause 182 of the Dingley bill should also bear a proportionate reduction to that made on pig lead.

We are appending to this brief a schedule of the changes in price made by the American Smelting and Refining Company for the years they have been practically in control of the market, which control was officially recognized by the Government in the report of the United States Geological Survey as early as the year 1904.

A perusal of these prices will distinctly show that the changes could not have possibly been dictated solely by the law of supply and

demand. The admission that many long-period contracts with miners have been based upon pig lead at 4 cents at New York is clear evidence that this was considered at least a fair price by the miners; and the fact that since these contracts were made, at no time until the panic of 1907 was upon us, was pig lead as low as 4 cents per pound, demonstrates that the benefits accruing under the tariff of 1897 were not enjoyed by the miners, but rather by the smelters, who certainly by their own evidence have established the fact that they need no protection.

Further proof of this is seen in the fact that with the exception of manufacturing companies closely affiliated with the smelting interests, it has been impossible to buy imported lead for the purpose of manufacturing for export, except such lead as bore 2⅛ cents per pound duty, for the reason that during most of this time lead made from foreign ore, plus the duty of 1½ cents would have netted less than the price of domestic pig lead.

REFINING OF FOREIGN LEAD IN BOND.

Under the tariff of August 28, 1894, the allowance for loss in wastage through smelting of foreign ores or base bullion in bond was fixed at 2 per cent. The allowance under existing tariff law is 10 per cent for loss in wastage through smelting of foreign ores in bond; this we contend is excessive. We submit an authority on this subject, the official records of the United States Government, and quote from the Advance Chapter from Mineral Resources of the United States Calendar Year 1907, published by the Department of the Interior, United States Geological Survey, as follows. (See p. 1.)

Lastly there is not taken into account in these totals the loss in smelting ranging from 2 per cent in the case of the better ordered smelters to 5 per cent or more in the smaller soft lead smelters.

We quote again from Mineral Resources, published by the Department of the Interior, United States Geological Survey (issue of 1902), page 208:

In the beginning it was possible to arrive at the net American production by deducting from the total pig-lead production of the works, the lead contents of the foreign base bullion and ores. The commercial statistics and the domestic-production statistics were identical. Later on the supply to the home markets included besides the product of our own mines, varying quantities of "exempt" lead, being a certain tonnage of lead obtained from foreign material which did not pay a duty.

We reproduce the figures of the United States Geological Survey showing the production of refined lead in the United States from foreign ores and bullion during the years prior to the law of 1894. During the term of that law, 1894, 1895, 1896, and 1897, showing that the product of lead smelted in bond from such foreign ores and base bullion increased during the period from 59,739 tons in 1894 to 83,671 in 1897.

Any allowance for a smelting loss exceeding 2 per cent is therefore either equivalent to a payment of a bounty to foreign producers of lead ore smelted in this country, or to a bonus given to the smelting companies and amounting to the current rate of duty upon such foreign lead ores upon such excess over said 2 per cent allowance.

The Wilson tariff went into effect August 28, 1894. The following table shows the production of refined lead in the United States from foreign ores and base bullion for the period of three years prior to

August 28, 1894, when the Wilson bill became effective and for the years from 1894 to 1897 while the Wilson bill was in force, and for the years 1897 to 1900 after the repeal thereof and the enactment of the present tariff law.

The figures are found in Mineral Resources of United States, issue of 1902, page 208.

PRODUCTION OF REFINED LEAD IN UNITED STATES.

[From foreign ores and base bullion.]

	Short tons.
1891	23,852
1892	39,957
1893	65,351
1894	59,739
1895	76,738
1896	77,738
1897	83,671
1898	99,945
1899	95,926

EXPORTS OF DOMESTIC LEAD.

Mineral Resources of the United States, issue of 1883, in reviewing the lead market of 1878, states (p. 317): "The effort proved" (to hold the price at 4 cents, New York) "a complete failure, and lead fell steadily until 3⅛ cents was reached in June. The falling off in the production of Utah and the shipment of surplus supplies of Nevada lead to China began to strengthen the position somewhat."

Mineral Resources of the United States, issue of 1897 (p. 240), states:

> The bureau also reports exports of 8,180 short tons of domestic lead, and notes a decline in stocks of foreign lead in warehouse from 9,865 tons on January 1, 1896, to 4,124 tons on January 1, 1897.

The report of the lead industry in the United States contained in Mineral Industries of the United States, published by the Department of the Interior, United States Geological Survey, 1883, contains these words (p. 306):

> For a long period the output of the mines of Missouri and of the upper Mississippi region constituted the bulk of the make of our country, and during the period between 1840 and 1848 it became so heavy that considerable quantities of the metal were exported, the maximum being reached in 1844, when 8,223 tons went abroad.

In conclusion, we submit that neither the mining of lead nor the smelting and refining thereof are infant industries in any sense of the term; that the present duty on lead is prohibitive, and brings no adequate revenue to the Government, but has produced a practical monopoly benefiting very few interests and imposing an unjust and burdensome tax upon every class of consumers.

It is not alone the burden imposed upon the consumer by the extravagant profits of these interests from which relief is sought, but equally the financial power with which such profits endow those in control, and the monopoly of a vast industry which is being rapidly acquired through the misapplied "benefits" of a prohibitory tariff.

All of which is respectfully submitted.

MILTON L. LISSBERGER,
Chairman.

Dr. J. T. DURYEA.
E. C. MILLER.
J. M. PETERS.

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EXHIBIT A.

Production and imports of lead.

Year.	United States production—United States Geological Survey (tons).	Import for consumption—ore, dross, and pig.	United States consumption.	Price New York (cents per pound).	Price London (cents per pound).	Difference.	United States duty.
1873	42,540	36,212	.....	632	500	132	200
1874	52,080	23,102	.....	601	477	124	200
1875	59,640	16,392	.....	585	488	97	200
1876	64,070	7,165	.....	613	466	147	200
1877	81,900	7,292	.....	549	445	104	200
1878	91,050	3,358	.....	361	362	.....	200
1879	92,780	608	.....	414	309	105	200
1880	97,825	3,362	.....	504	353	151	200
1881	117,085	2,164	.....	481	324	157	200
1882	132,890	3,050	.....	491	311	180	200
1883	143,957	2,319	.....	432	280	152	200
1884	139,897	1,536	.....	374	241	133	200
1885	129,412	2,933	.....	395	249	146	200
1886	130,629	9,149	.....	463	287	176	200
1887	145,700	3,935	.....	450	278	172	200
1888	151,919	1,335	.....	442	302	140	200
1889	156,396	1,550	.....	393	283	110	200
1890	143,630	15,210	170,305	448	291	157	200
1891	178,554	22,042	200,026	435	270	165	200
1892	173,305	27,920	210,900	409	228	181	200
1893	163,982	26,224	197,079	373	216	157	200
1894 [a]	162,686	36,045	192,371	329	207	122	200-100
1895 [a]	170,000	77,310	241,044	323	230	93	100
1896 [a]	188,000	24,190	213,901	298	244	54	100
1897 [a]	212,000	23,545	219,248	358	224	134	100-2125
1898	222,000	8,461	227,452	378	284	94	2125
1899	210,000	5,150	226,315	447	327	120	2125
1900	270,824	6,942	269,302	437	377	60	2125
1901	270,700	6,964	274,020	403	275	128	2125
1902	270,000	13,472	335,485	407	244	163	2125
1903	280,000	25,063	304,483	424	254	170	2125
1904	307,000	18,167	223,766	436	262	174	2125
1905	322,000	39,000	361,000	471	301	170	2125
1906	347,000	35,000	382,000	566	395	171	2125
1907	357,000	28,000	385,000	532	413	119	2125

[a] Wilson tariff production (notwithstanding 1 cent duty and average selling price in New York of 3.27 cents per pound) increased from 162,686 tons to 212,000 tons annually, or 33 per cent.

Lead, in tons of 2,240 pounds—Imports into United States from different countries.

Year.	Europe.	British North America.	Mexico.	Sundries.	Exports in bond.
1895	20,000	6,500	70,000	.....	18,632
1896	1,174	10,968	58,001	781	45,254
1897	1,280	16,750	61,639	94	52,846
1898	141	16,441	65,218	149	76,355
1899	200	9,000	76,000	500	66,720
1900	404	15,190	79,841	2,295	91,856
1901	487	23,748	73,005	3,782	85,721
1902	1,350	8,094	82,005	2,375	67,287
1903	1,520	8,300	83,019	1,533	65,972
1904	572	7,842	89,903	283	75,448
1905	1,789	8,974	76,275	635	53,159
1906	8,060	8,514	56,491	185	41,597
1907	5,055	4,311	62,164	534	46,996

In 1894 the total importation was 38,000 tons, and the total exports 26,809.
In 1905 the importation was very heavy, while the exports were small.

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EXHIBIT B.

SMELTING COMPANY'S PRICES.

The prices for common lead at New York, as made by the American Smelting and Refining Company, and as compared with London prices on even dates, are as follows:

	Amount.	Price of imported lead c. f. i., N. Y., in pounds per ton.			Cost penal duty of 2 cents per pound.
		£	s.	d.	
1900.					
January 2 the price was	4.75	16	5	0	5.62½
May 7 price reduced to	4.45	17	2	6	5.84½
May 10 price reduced to	4.30	17	3	9	5.86
May 14 price reduced to	4.05	17	2	6	5.84½
June 5 price reduced to	3.87½	17	3	9	5.86
June 13 price reduced to	3.75	17	5	0	5.87½
June 25 price advanced to	4.12½	17	10	0	5.92½
June 26 price advanced to	4.25	17	10	0	5.92

	Amount.	Price of imported lead c. f. i., N. Y., in pounds per ton.			Cost penal duty of 2½ cents per pound.
		£	s.	d.	
1900.					
July 2 price reduced to	4.12½	17	10	0	5.92
July 9 price reduced to	4.00	17	10	0	5.92
August 1 price advanced to	4.25	18	—	0	6.92
August 27 price advanced to	4.37½	17	2	6	5.84½
1901.					
December 17 price reduced to	4.00	10	10	0	4.40
1902.					
January 3 price advanced to	4.10	11	—	0	4.51
1903.					
March 10 price advanced to	4.35	13	10	0	5.06
March 13 price advanced to	4.65	13	15	0	5.11
April 27 price reduced to	4.35	12	—	0	4.73½
June 16 price reduced to	4.10	11	5	0	4.56½
September 15 price advanced to	4.40	11	5	0	4.56½
November 16 price reduced to	4.10	11	1	3	4.52½
December 14 price advanced to	4.25	11	3	9	4.54
1904.					
January 13 price advanced to	4.40	11	12	6	4.65
March 1 price advanced to	4.50	11	16	3	4.69
May 20 price reduced to	4.35	11	5	0	4.57
May 27 price reduced to	4.25	11	11	3	4.63
June 14 price reduced to	4.20	11	10	0	4.62
July 25 price reduced to	4.10	11	5	0	4.57
August 29 price advanced to	4.20	11	15	0	4.68
December 1 price advanced to	4.60	12	18	9	4.93
1905.					
January 23 price reduced to	4.45	12	15	0	4.90
March 20 price advanced to	4.50	12	8	9	4.83
July 25 price advanced to	4.60	13	17	6	5.03
August 24 price advanced to	4.85	14	1	3	5.17½
November 1 price advanced to	5.15	14	8	9	5.25
November 16 price advanced to	5.25	15	7	6	5.46
December 21 price advanced to	5.60	17	2	6	5.85
1906.					
February 14 price reduced to	5.35	15	15	0	5.53
April 20 price advanced to	5.50	15	18	9	5.59
May 3 price advanced to	5.60	16	1	3	5.62
May 14 price advanced to	5.75	16	17	6	5.79
December 13 price advanced to	6.00	19	7	6	6.45
1907.					
June 3 price reduced to	5.75	20	—	0	6.47
July 3 price reduced to	5.25	20	15	0	6.73
September 6 price reduced to	4.75	19	5	0	6.42½

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EXHIBIT C.

CONTROL OF THE LEAD INDUSTRY FROM THE MINE TO THE CONSUMER.

As illustrating the close affiliation of interest existing between the American Smelting and Refining Company, smelters and producers of pig lead, and certain combinations of manufacturers of pig-lead products entering into the daily consumption of a commodity vitally necessary to the great mass of the people of the United States, we give the following details taken from Moody's Manual, issue of 1905, 1906, 1907, and 1908:

(1) Guggenheim Exploration Company, (2) American Smelters Securities Company, (3) American Smelting and Refining Company, (4) The United Lead Company, (5) The Magnus Metal Company, (6) The National Lead Company.

Guggenheim Exploration Company (Moody's Manual, 1908–2411), incorporated June, 1899, under New Jersey laws, controls a large number of mines and mining properties in Mexico and United States.

Capital stock authorized, $22,000,000; issued, $20,319,910. Dividends, 10 per cent per annum, quarterly.

Balance sheet December 31, 1906.

	1906.	1905.
ASSETS.		
Treasury stock	$1,680,700	$4,000,000
The Smelters Securities Company:		
Series A stock	13,860,000	[a] 15,400,000
Series B stock	1,800,000	[a] 2,000,000
Common stock	1	[b] 1
Other property and investment	14,327,444	2,711,538
Furniture, etc	7,711	4,603
Bills and accounts collectible	47,472	440,954
Cash	4,052,487	611,470
Total	35,775,815	25,168,566

	1906.	1907.
LIABILITIES.		
Capital stock	$22,000,000	$17,000,000
Bills and accounts payable	14,861	1,301,317
Surplus	13,760,954	6,867,249
Total	35,775,815	25,168,566

[a] Par value, $11,249,000. [b] Par value.

Note their surplus increased from $6,867,249 at end of 1905 to $13,760,954 at end of 1906, or (in one year) $6,893,705, although they reduced the valuation of their American Smelters Securities Stock, series A and B, $1,520,000 in the same period.

Directors: Daniel Guggenheim, S. R. Guggenheim, Morris Guggenheim, N. Robert Guggenheim, Isaac Guggenheim.

American Smelters Securities Company (Moody's Manual, p. 1899): Incorporated March 31, 1905, in New Jersey as The American Smelters Exploration Company, name changed as above in May, 1905. At its inception the company acquired from the Guggenheim Exploration Company various mining properties and interests in Colorado Missouri, and Mexico, and also received from that company about $5,000,000 in cash to complete certain purchases. Subsequently purchased other properties in Washington, California, Utah, Missouri, and Mexico. Control of the Federal Mining and Smelting Company was acquired in May, 1905, and of the Utah Copper Company in November of the same year. In addition to the mining interests of the company which are operated largely as a base of supply for its various smelting works, it had in successful operation at the time of its organization the following:

Lead Smelting and Refining Works of the Selby Smelting and Lead Company, at San Francisco; Lead Smelting and Refining Works of the Federal Lead Company, at Federal, Ill.; and Lead Smelting and Copper Smelting and Refining Works of the Tacoma Smelting Company, at Tacoma, Wash.

Capital stock authorized and outstanding, $30,000,000 common.

Capital stock authorized and outstanding, $17,000,000 preferred A.

Capital stock authorized and outstanding, $30,000,000 preferred B.

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In April, 1905, the American Smelting and Refining Company acquired $17,751,000 (a majority) of the common stock. Preferred stock B is unconditionally guaranteed both as to the principal and dividends by the American Smelting and Refining Company.

EXHIBIT D.

AMERICAN SMELTING AND REFINING.

(Moody's Manual 1908, p. 1897). Incorporated April 4, 1899, in New Jersey.

Owns and operates plants for the smelting of ores and the treatment of lead bullion, copper bullion, and copper matte in Montana, Utah, Colorado, Kansas, Nebraska, Illinois, New Jersey, Mexico, and elsewhere. Bar gold and silver, pig lead, electrolytic copper, and blue vitrol are the principal merchantable products. The output of lead and silver is understood to be about 85 per cent of the production of the United States.

In April, 1901, acquired the smelting and refining business of various corporations controlled by M. Guggenheim Sons, thus very largely increasing the size and scope of the corporation. The Guggenheim properties included smelting plants at Pueblo, Colorado, Monterey, and Aguascalientes, Mexico, and Perth Amboy, N. J. In addition to the properties mentioned above the company owns a controlling interest in the United States Zinc Company, whose plant is at Pueblo, Colo., and owns the entire stock of The American Smelters Steamship Company, which operates steamers in its interests between New York and other ports in the United States and Mexico. In April, 1905, acquired $17,751,000 (a majority) of the common stock of the American Smelters Securities Company, the latter owning a controlling interest in the Federal Mining and Smelting Company, the Utah Copper Company.

Since the close of the fiscal year ended April, 1906, the company has effected a sale of a portion of the stock of the United Lead Company, owned by it. (See National Lead.)

EXHIBIT E.

FEDERAL MINING AND SMELTING COMPANY.

[Moody's Manual, 1908-1900.]

The company acquired all the mining property formerly owned by the Empire State Idaho Mining and Development Company, the Standard Mining Company, and also the Mammoth Mines in Idaho and certain smelting property at Everett, Wash. The smelting property has since been disposed of without loss. Recently acquired Morning and You Like Group in Hunter district, valued at $3,000,000.

In May, 1905, control of the company was acquired by the American Smelters Securities Company, controlled in turn by the American Smelting and Refining Company. The mining properties consist of four groups of silver lead mines and claims, situated in the Coeur d'Alene mining district, Idaho, as follows: The Wardner, near Wardner, on the main lines of the Oregon River and Navigation Railroad; the Mace, located at Mace, Idaho; the Burke, situated in Burke, Idaho, and the Morning and You Like Group of silver lead mines, situated near Mullen, on line of Northern Pacific Railroad, 7 miles from Wallace, reached by a short railroad which is the property of the company. The company estimates that its properties contain silver lead ores such as is now being mined, as follows:

Wardner mines: In sight, 200,000 tons; in reserve, more than 700,000 tons.

Burke mines: In sight, 180,000 tons; in reserve, 3,000,000 tons.

Mace mines: In sight, 200,000 tons; in reserve, 2,000,000 tons.

Contract: The Federal Mining and Smelting Company has entered into contract with the American Smelting and Refining Company, by which it is agreed that for a period of six years from September, 1, 1903, the Federal Company will sell to the Smelting Company, and the Smelting Company agrees to buy, its entire output.

Authorized capital: $20,000,000 7 per cent cumulative preferred and $10,000,000 common.

Outstanding: $12,000,000 preferred, $6,000,000 common.

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	Amount.	Dividends.	
		Preferred.	Common.
Earnings, net:		*Per cent.*	
1904-5	$1,242,688	7	9
1905-6	2,685,300	7	14½
1906-7	.....	7	18½

Metal—Production years ending August 31; lead in tons, silver in ounces:

1904-5	44,137	2,689,867
1905-6	63,029	3,920,824
Tons of ore mined 1906-7	888,950	.....
Metal contents lead in tons, 1906-7	59,746	.....
Silver in ounces	.....	3,689,298

Among the directors we find the following:

G. M. Borden (one of the officers of the United Lead Company); F. W. Hills (also assistant treasurer of the American Smelters Securities Company); T. J. Phillips (the manager of the sales department of the American Smelting and Refining Company); Judge Stewart (also director of the American Smelting and Refining Company); Edwin Brush (vice-president of the American Smelting and Refining Company, member of the executive committee of the American Smelting and Refining Company, vice-president of the American Smelters Securities Company, director of the American Smelters and Securities Company, director of the National Lead Company, director in the United Lead Company).

NATIONAL LEAD COMPANY.

[Moody's Manual, p. 2136.]

In 1904 this company was capitalized as follows:

Common stock	$15,000,000
Preferred stock	15,000,000
	30,000,000

During 1905 the capital was increased—

Common	25,000,000
Preferred stock	25,000,000
	50,000,000

During 1905 Daniel Guggenheim, Murray Guggenheim, and Edward Brush (all of whom were directors of the American Smelting and Refining Company) became members of the board of directors of the National Lead Company, and shortly thereafter the capitalization was increased to $50,000,000, the increase being largely for the purpose of purchasing the control of the United Lead Company, heretofore held by interests identified with the American Smelting and Refining Company.

The National Lead Company was incorporated in New Jersey, December 7, 1891.

The property of the company consists of white-lead works, smelters, and refineries in New York, Pennsylvania, Missouri, Ohio, Massachusetts, Illinois, and other States, and comprises 26 plants. It manufactures white lead, oxides, and kindred products, also castor oil, linseed oil cake and meal, and smelts and refines lead.

[Moody's Manual of 1908.]

In February, 1907, the company purchased the Magnus Metal Company, and for this purpose $3,750,000 preferred stock was issued.

EXHIBIT F.

THE UNITED LEAD COMPANY.

[From Moody's Manual, 1908.]

Incorporated under the laws of New Jersey in January, 1903, by interests affiliated with the American Smelting and Refining Company, the latter a Guggenheim property, the purpose of the company being to consolidate the various lead and manufac-

turing plants. The following is a complete list of the concerns whose plants were originally taken over by the United Lead Company:

James Robertson Lead Company	Baltimore, Md.
Omaha Shot and Lead Company	Omaha, Nebr.
Northwestern Shot and Lead Company	St. Paul, Minn.
Callier Shot Tower Works	St. Louis, Mo.
Bailey & Farrell Shot Works	Pittsburg, Pa.
Markle Lead Works	St. Louis, Mo.
Gibson & Price	Cleveland, Ohio.
Le Roy Shot and Lead Works	New York.
Union Lead and Oil Works	Brooklyn, New York.
Sportsmens Shot Works	Cincinnati, Ohio.
Chicago Shot Tower Company	Chicago, Ill.
Hoyt Metal Company	St. Louis, Mo.
Tatham & Bros	New York.
Raymond Lead Company	Chicago, Ill.
E. W. Blatchford & Co	Chicago, Ill.
Thomas W. Sparks	Philadelphia, Pa.
Chadwick-Boston Lead Works	Boston, Mass.
Lanston Lead Works	Chicago, Ill.
McDougall Whitehead Company	Buffalo, N. Y.

In September, 1904, the plant and trade-mark of Tatham Brothers, Philadelphia, was acquired, the consideration being one million, half cash, the balance bonds.

Capital stock: Originally there was $15,100,000 stock, $100,000 of which was 7 per cent preferred, but in May, 1903, this was increased to twenty-five million of the last-named amount, ten million 6 per cent cumulative preferred, balance common; bonds, twelve million debenture, gold five.

BARTON SEWELL, *President.*
DANIEL GUGGENHEIM,
MORRIS GUGGENHEIM,
T. F. RYAN,
BARTON SEWELL,
E. W. NASH,
J. D. MORS,
Directors.

EXHIBIT G.

MAGNUS METAL COMPANY.

[The Moody's Manual, 1905.]

Incorporated in New Jersey, in 1899, to consolidate the following companies engaged in the manufacture of brass and metal goods:

Fort Pitt Bronze Company, Stiles Metal Company, Buffalo Brass Company, Brady Metal Company, E. Blunt Manufacturing Company, The Hewitt Manufacturing Company, Chicago, Ill.

In 1907 they took Gerdes Brothers, Pittsburg, the Atcheson Lead Company, of Rankin, the Lead Pipe Manufacturing Department of the Standard Sanitary Company, and the Nevin White Lead Works, Pittsburg, Pa.

SUPPLEMENTAL STATEMENT BY EDWARD BRUSH, NEW YORK CITY, VICE-PRESIDENT OF AMERICAN SMELTING AND REFINING COMPANY, RELATIVE TO LEAD.

165 BROADWAY,
New York, February 5, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: Since the giving of my testimony before your committee with reference to the tariff on lead in various forms I have been particularly desirous of summing up in a few words the salient points

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of the situation, and I am particularly desirous of saying a few more words now since the receipt by your committee of a communication signed by Milton L. Lissberger, chairman.

With reference to my testimony, so far as it applied to the production of lead in this country, I believe it can be summed up in a very few words.

Concerning the production of pig lead in the Missouri region, there are various publications, scientific and otherwise, which indicate that the cost of production, not taking into account the annual depreciation of the mine, is approximately 3½ cents. I filed with your committee a report with regard to a report from a former state geologist of the State of Missouri stating that the Missouri lead deposits would be exhausted if the production continued as at present in a period of ten years. Under those circumstances I am sure your committee will agree that the price of 4 cents, which is approximately the present price of lead, and which is approximately the average price of lead obtained during the last eight years (with the exception of the boom prices of 1906 and 1907), does not show an extravagant profit. In fact, when account is taken of the fact that a mine does not become a mine until the risk of the prospect has been overcome, and that many prospects with large expenditures of money never make any return whatever, it will be seen that the lead-mining industry can hardly be a very attractive one in which to take the risks of prospecting, even with 4-cent lead, in the State of Missouri.

I was able to show that at 4 cents the profit of a typical Rocky Mountain mine was barely normal, and that when the market last year went below 4 cents many of the large producing mines of the Rocky Mountain region closed entirely.

I urged that the duty of 1½ cents a pound on lead in ore should be retained. This would give a protection of $30 a ton. I was able to show that this protection of $30 a ton was made necessary by the two facts that the Mexican lead producers could deliver lead in New York, so far as freight rates alone were concerned, for $17 a ton less than the Rocky Mountain region, producing two-thirds of all of the lead in this country, could ship to the New York market; also, the wages paid to mining labor in Mexico were from one-ninth to one-sixth only of the wages paid to miners in the Rocky Mountain region. These two conditions can not be overcome, and unless the mining of lead in the Rocky Mountain region is to be made unprofitable, a large portion of its product cut off, and the prospecting for lead mines absolutely discouraged, this duty of 1½ cents a pound is absolutely necessary.

Lead mining can not be treated as a manufacturing matter; it is not an infant industry to be encouraged and put on its feet and a clientele built up. It must, in the first place, be more than usually profitable or no one will take pains to endeavor to discover mines and no one will go to the expense of prospecting for them. The long haul by rail from the Rocky Mountains to the Atlantic seaboard, where a large proportion of all the lead produced is consumed, is worth the money charged by the railroads under the cost of operation in the United States. The laborers in the Rocky Mountains are being paid in accord with the expenses of living in those regions, and those are the crucial points that govern the situation. The damage to be reckoned with, however, should this industry be discouraged, is unique. Not only lead mining would be discouraged, but all mining

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in the Rocky Mountain region in which such large quantities of silver and gold and copper are produced would also be equally discouraged.

The precious metals can not be recovered from the refractory ores of the Rocky Mountains except as lead is used as a base to accumulate the precious metals in the process of smelting. In this process of smelting there must be at least 10 per cent of lead in the furnace or the proper slag will not be produced and the precious metals will not be accumulated in the lead, from which they can afterwards be recovered and refined. If, therefore, the production of lead ore in the Rocky Mountain region is cut off 25 per cent by a reduction of the tariff, the ability of the smelters to smelt the other ores will be proportionately curtailed. The whole business of the Rocky Mountain section of the United States is based upon mining. This includes railroad freights, manufactures, and consumption of all natures. Peculiarly, however, the universal argument of those who have protested against the present duty being kept in effect has been one of criticism of the American Smelting and Refining Company rather than one dealing with the actual cost of production. The statement has been made that the American Smelting and Refining Company held a monopoly of the lead situation of the country. The statement has been made that they do not sell pig lead to customers fairly; that they make exorbitant charges to the lead miners, in connection with which reference has been made to the yearly profits of the American Smelting and Refining Company, and the inference is drawn that the price of lead is for the benefit of the American Smelting and Refining Company rather than for the benefit of the miner. Those making such statements are doubtless better informed in regard to the exact situation than are your committee. I beg in this particular to refer somewhat to my testimony and to amplify the same in order that the committee may more clearly see the position of the American Smelting and Refining Company as to the lead market and the lead industry of the country than is possible without a careful study of the situation.

In the first place, the business methods of the smelting company are different from those adopted by any other large business industry, so far as I know. Where complaints have been made with reference to trusts and monopolies, they have been to the effect that the producers of the raw material found themselves obliged to sell to the trust at abnormally low prices, and the trust sold to the consumers of the country their product at abnormally high prices. Now, the business of the American Smelting and Refining Company is based upon a payment to the mine of the market price of pig lead, whatever it may be. The smelting company makes contracts with the mining companies for their entire product agreeing to pay them the market price for their lead and their silver and their copper the day that it is shipped. The consequence is that if the smelting company should advance the price of pig lead it would be for the benefit of the mining company, and if the price declines it is an injury to the mining company. The interest of the smelting company is not in the price of lead, but only in their fixed charge of so many dollars per ton of ore. Consequently, there is no depreciation on the part of the smelting company of the raw material, and there is no interest on the part of the smelting company in abnormally raising the price of refined product. The extreme erroneousness of

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the criticisms of the smelting company as to the profitableness of its business is shown by the fact that they refer to its total profits and apply these only to its lead business. The value of the pig lead products of the American Smelting and Refining Company for the past year was less than $20,000,000, and the value of its entire product was in excess of $90,000,000. It is absurd, therefore, to refer to the profits of the smelting company as arising from its dealing in lead; and even the $20,000,000 lead value includes all of the lead smelted and refined in this country in bond obtained from Mexico, Canada, Spain, Africa, South America, and Australia. The total product of domestic pig lead of the company was about 175,000 tons. The lead ores smelted averaged 10 per cent lead. This would indicate, therefore, that the ores smelted by the company containing lead were approximately 1,750,000 tons, whereas the entire amount smelted by the company was approximately twice this. Therefore, in tons of ore, not more than one-half of the tons smelted contained any lead whatever, and the smelting charge for the number of tons of ore smelted which contained lead applied to the silver and gold and the copper contained in the same ore along with the lead. A proof of the fact that the smelting charges of the smelting company are not exorbitant is that the large producing mines which are owned by men of large capital find that they can not erect and smelt their own ore as cheaply as the American Smelting and Refining Company charges for smelting. The reason for the ability of the smelting company to offer these low smelting charges is their ability to gather together a wide variety of ores in large quantities, thereby enabling them to lower their charges and reduce their costs.

In the statement of Mr. Lissberger it is again reiterated that the smelting company has a monopoly of the production of lead. We beg to refer you to the information in the hands of the United States Geological Survey as to this statement. The American Smelting and Refining Company furnished the Geological Survey with a statement of the production of domestic lead by their company and all of their subsidiary companies for the year 1908, which was, approximately, 160,000 tons. This included the production of every company or mine in which the American Smelting and Refining Company, or its directors, are in any way directly or indirectly interested. The Geological Survey received statements from all of the other producers of pig lead in the country and issued their annual statement early in January to the effect that the production of lead for the year 1908 in the United States was approximately 285,000 tons, which seems to indicate that other producers of pig lead in the United States, with which this company has no interest whatever, produced 125,000 tons during the year 1908. As sellers of lead, therefore, the American Smelting and Refining Company has no control of the market whatever, and there is abundant opportunity for trading in lead entirely outside of the American Smelting and Refining Company and its allied interests.

We wish to repeat also, with reference to other statements made by Mr. Lissberger, that the American Smelting and Refining Company are not in control of the various lead manufacturing companies to which he refers. If they were, however, it would have little or no pertinence with regard to the tariff situation. As a matter of fact, the smelting company has no ownership whatever in the

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stock of the various manufacturing companies referred to. It happens that three directors out of fifteen of the National Lead Company are also directors of the American Smelting and Refining Company. Those three directors own a very small proportion of the stock of the National Lead Company.

Reference is made to the provisions of the tariff law with reference to sampling. Regarding this we beg to state that the Treasury Department does not require sampling works to be established, but they take grab samples from every car as it is imported, and anyone can import lead and the Treasury Department makes no difference in its method of sampling to whomever the ore may be consigned.

Reference is made to wastage of lead in smelting and refining. In regard to this we beg to state that the Treasury Department has repeatedly made investigations relative to this point in connection with the amount of wastage to be allowed in drawback cases, and they have found that on average 10 per cent is a fair allowance to be made for the wastage of lead in smelting and refining. We beg to state that taking our operations as a whole we find that 10 per cent is a fair average to allow. We have some smelting works which constantly show a loss of 20 per cent in smelting alone of all of the lead put into the furnaces. This is not because these works are not as carefully and efficiently operated as other works, but because of the character of the ores smelted. It is entirely possible to smelt Missouri ores with a loss of 2 to 3 per cent, but these are not the class of ores imported, and this is not the class of smelting which has to be taken into account in connection with imported ores. No silver, gold, and copper has to be recovered from the Missouri ores, and the process is radically different from the process of desilverized smelting.

Reference is made in the same statement to the supposed fact that the Government allows duty to be paid on only 99 per cent of 90 per cent of the lead imported. This is not the fact. The law is clear and the Treasury Department so carries it out. If the lead is exported the bonds can be canceled by the exportation of 90 per cent of the lead imported, the remaining 10 per cent having been lost in the process of smelting and refining; but if duty is to be paid on the lead for domestic consumption the duty of 1½ cents has to be paid upon the whole 100 per cent imported, even though 10 per cent of it is lost in smelting and refining.

But without wearying the committee with reference to these various erroneous statements, it may be well to indicate the carelessness with which such statements are made by referring to the sketch of a tree somewhat to indicate the ramifications of the lead business. Eight directors are mentioned as being in control of these many companies. Out of the 8 names mentioned 4 are not directors of any of the companies referred to. The trunk of the tree from which all of the ramifications seem to radiate is referred to as the Guggenheim Exploration Company. This company, I may state from absolute knowledge, does not own a lead mine or a lead smelter or a lead refinery; does not sell or buy a pound of lead, and does not even own stock in any lead-producing, smelting, or refining company.

Yours, very truly,

EDWARD BRUSH,
Vice-President American Smelting and Refining Company.

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STATEMENT OF ST. JOSEPH LEAD COMPANY, NEW YORK CITY, ASKING RETENTION OF PRESENT DUTIES ON PIG LEAD, BULLION, AND LEAD ORE.

5 NASSAU STREET,
New York City, February 15, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The State of Missouri is now the foremost lead producing State in the country. In the growth of this industry the St. Joseph Lead Company has had a prominent share since 1868. In the calendar year 1908, 55,000 tons of pig lead were made by it at its own smelting and refining plant on the Missouri River. This was made entirely from ore taken from the company's own mines and from the mines of the Doe Run Lead Company, all located in the southeast Missouri lead district, a description of which has already been presented to this committee. The output of this company is about 50 per cent of the total of the district and in 1908 it was about 17 per cent of the total domestic production of the United States. As a large producer of the mineral which in 1907 added to the country's wealth $38,707,576, the company deems it necessary to state to your committee some reasons why the present tariff should not in any event be reduced.

I. *The present price of lead is extremely low and the situation in the industry is unsatisfactoy to both capital and labor and should not be made worse.*

The average price of lead in the city of New York, the broadest market, for the year 1908 was $4.20 per hundred pounds, and at the present date, February 15, 1909, the price is $4.025 per hundred pounds. This is an abnormally low price, as the following record, extending over a long period of years, shows: The average price for the thirty years from 1820 to 1849 was $5.31 per hundred pounds; from 1850 to 1879 it was $5.94; from 1880 to 1889 it was $4.42; from 1890 to 1893 it was $4.16; from 1894 to 1899 it was $3.55; and from 1900 to 1908, inclusive, it was $4.58. (See Lead and Zinc in the United States, Ingalls, p. 203.) During the years 1906 and 1907, owing to the general business prosperity, the average price at New York was $5.66 and $5.33 per hundred pounds. But the impetus given to the industry during those years which brought about great improvements in the condition of the employees of this and other companies and which caused wide development work in all lead districts has been greatly checked by the low price of 1908. It is of vital importance that the situation as it exists to-day after the companies have worked through the year 1908 shall be taken as the viewpoint of the lead industry and that the mistake of basing a new tariff law on out-of-date prosperity shall not be made. The present situation has developed notwithstanding the existing tariff and in spite of all combinations. During the year 1908 the domestic production of pig lead in the United States decreased about 26,000 tons. (See Engineering and Mining Journal, vol. 87, 1909, pp. 51, 63, and 64.) Widespread closing of mines resulted from the situation and wages in Missouri were substantially reduced. Recently a petition for an increase of wages signed by nearly all of its employees was presented to this

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company and was denied. The signs of prosperity which surrounded the industry during the years 1906 and 1907 have disappeared and new projects are waiting for improved conditions. This is the situation which has resulted in all lead mining districts of the country with an average price for the year of $4.20 per hundred pounds. It is submitted that with lead at this price there can be no adequate growth in the industry, and that only the largest corporations engaged in it can be operated at all. If the tariff is not disturbed, renewed confidence in the future will arise and business will revive immediately; but if reductions in duty are made, radical readjustments by the lead producers will be necessary to meet foreign competition and to keep their mines in operation.

II. *The cost of making lead in this country is much higher than the price at which lead can be bought in the London market. Wages must be heavily reduced if this competition is to be met.*

The cost to this company of making lead for the year ending April 30, 1908, was $3.48 per hundred pounds at the smelter, and for the calendar year 1908 the average price of foreign lead in London was about $2.93 per hundred pounds, or £13 9s. 10d. per ton of 2,240 pounds. (See Annual Statistical Report New York Metal Exchange, 1908, p. 21.) This company was carrying on the business of making lead when the so-called Wilson law went into effect in 1894, which reduced the duty on lead ore to three-fourths cent per pound and the duty on pig and bar lead to 1 cent per pound, and which brought down the average price for four years considerably below 4 cents. While it continued to produce lead during the years from 1894 to 1897, it became necessary several times to reduce the wages paid, and the hours of labor were increased. During this period the whole district where the company's mines are located was depressed and filled with men who were seeking work. After the passage of the Dingley Act in 1897 wages were advanced, until in 1907 they reached the highest point ever attained. The following table shows wages paid by this company over a series of years:

Wages paid from 1890 to 1908.

	Mine drillers.	Backhands.		Mine drillers.	Backhands.
1890–1893	$1.60	$1.25	1901	$1.60 to $1.65	$1.30 to $1.35
1893	1.40 to 1.50	1.15 to 1.25	1902	1.60	1.30
1894	1.25	1.00	1903	1.80	1.50
1895	1.15 to 1.25	.90 to 1.00	1904–1906	1.90	1.60
1896	1.25	1.00	1906	2.00	1.70
1897	1.35 to 1.45	1.10 to 1.20	1907	2.25	1.95
1898	1.45	1.20	1908–9	1.70	1.45
1899–1901	1.60	1.30			

From 1893 to 1901 a day's work was ten hours. Since 1901 it has been eight hours.

If the present tariff is reduced the history of the years 1894–1897 will be repeated in the lead industry. Wages will be reduced and works will necessarily close, for they can not run at a loss. Men residing in the southeast Missouri lead district have no other work open to them, as the entire population is dependent on the success of the lead-mining industry. If this fails they and their families will be

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forced to endure another long period of depression and want. This company will endeavor to meet such conditions as arise, and it expects to produce lead, but it frankly admits that it can not maintain wages at anything like the present wage scale if the price of lead in this country is to be governed by the London price.

III. *The existing tariff has over the term of years since its adoption proved beneficial in raising revenue, in developing the home industry, and in adding to the wealth of the country.*

The revenues obtained by the United States from lead imports since 1898 have already been brought to the attention of the committee. From these it appears that notwithstanding the large domestic production of lead in the years 1906 and 1907 the duties collected on foreign ores and lead were in excess of those collected in any two years in the history of the country. The increasing domestic production shows clearly the benefit that has been derived from the better price that was obtained during the years prior to 1908. It is of advantage to the country to develop this natural resource, not only because it thereby increases the country's wealth but because it is of great moment that both in times of peace and war a substantial output of lead shall be made. In order to insure independence in this respect, preparations need to be made for a number of years in advance and mining must be carried forward uninterruptedly. Moreover, a large amount of developing and prospecting work is essential to successful mining in the southeast Missouri district, where no veins occur, and this prospecting can only be carried on when reliance can be placed upon the continuance of a fixed policy on the part of the Government. The great growth in the lead production of the country and the increase in the wealth of the southeast Missouri lead district are shown by statistics already referred to.

IV. *The tariff benefits all miners alike and has not created any trust in lead mining.*

To demonstrate this proposition it is sufficient to cite the output of this company, which mines, refines, and sells its lead entirely independently and is not controlled by any other corporation whatsoever. This output has increased from 20,000 tons in the year 1900 to 55,000 tons in the year 1908. Independent mines are also in existence in all the lead-producing States. It is sometimes claimed that the price of lead is arbitrarily fixed by a lead combination, but if this is so the price follows the demand, as is shown by its variability during the past three years and by its great decrease in the year 1908. No attempt has been made in the lead industry to keep the price where it was in the years 1906 and 1907, but actual market conditions have controlled. It is also noticeable that recently an international smelting company has been organized which proposes to introduce active competition in the smelting industry.

V. *Manufacturers of lead products will only temporarily be benefited by a suppression of the domestic production.*

It seems probable that the effect of a decrease in the domestic production of lead will, while irreparably injuring this country, benefit to a large extent the Mexican and foreign producers of lead and manu-

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facturers of lead products in this country, who will thereby temporarily increase their profits, as the public does not buy pig lead. Mexican and Spanish producers, however, in this event will soon control the market and gradually increase prices to a point where domestic production can not increase, but where the foreign producers, with a low labor charge, can realize greater profits. The permanent benefit will therefore go to the foreign markets, and manufacturers of lead products will find a situation developing which will hamper their own work. The best interests of the manufacturers are not antagonistic to those of the domestic producers of lead. The producers, moreover, all stand together to ask the retention of the existing duties. While the situation in Idaho and the other Northwestern States is in many respects different from that in Missouri, the results that will follow a reduction of duty are substantially alike in both places. This company desires to indorse the full and fair statement of the questions at issue made to your committee in behalf of the lead producers of the State of Idaho.

VI. *The voters in Missouri desire the tariff retained.*

It is universally true that sections of the country benefited by a tariff favor it. It is on this account that protection appeals to voters for they have realized in the past that the benefits to the locality and the country follow their votes. Missouri is no exception to this rule. Great advance in that State has been made by reason of its lead and zinc deposits. It is now the leader in the country in both minerals. The voters in the State are more and more appreciating the situation. They do not favor the tariff to confer benefits on corporations, but to secure work for themselves and benefits for the State. They realize that the question in respect to the tariff is not controlled by the present difference in cost here and in countries with primitive civilizations because they are determined that the workers in this country shall constantly improve their condition and shall not be considered a stationary element in the problem of production. Employers of labor in this country must meet this condition, and can do so only when adequate protection is given an industry which can be attacked from without.

ST. JOSEPH LEAD COMPANY,
By DWIGHT A. JONES, *President.*

MICA.

[Paragraph 184.]

THE ASHEVILLE MICA COMPANY, ASHEVILLE, N. C., SUBMITS PETITION FOR NEW CLASSIFICATION FOR MICA.

ASHEVILLE, N. C., *February 23, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Inclosed we hand you a petition signed by a great many miners of domestic mica, which we trust you can yet give due consideration to. The present tariff is defective in that it does not

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definitely classify mica according to the way it is known in the trade, and the consequence has been that a much lower rate of duty has been collected than was intended.

The inclosed classification is based upon a fair rendering of the present tariff, except in one particular hereinafter mentioned, and has been written by men experienced in the mica business. It will give a fair amount of protection to the domestic miner and a greater amount of revenue than has heretofore been collected. The one raise in the proposed duty is in class C, from 12 cents to 20 cents per pound. It takes 2 pounds of class B and 3 pounds of class A to make 1 pound of class C; therefore it equalizes the amount of duty according to how far along the article has progressed to the finished state.

We inclose herewith a copy of the decision lately rendered by the United States appraisers at New York, showing that under the present wording there has been evasion of the duty because of the indefinite wording of the present law.

Any other information you desire will be gladly furnished you.

Yours, respectfully,

ASHEVILLE MICA CO.,
Per W. VANCE BROWN.

EXHIBIT A.

FEBRUARY 15, 1909.

United States General Appraisers, New York. In the matter of protest 315568-837 of Watson Bros. against the assessment of duty by the collector of customs at the port of Boston.

Before Board No. 2; Fischer, general appraiser.

The merchandise consists of mica which has been cut by a knife or scissors into rectangular sheets or plates. Duty was assessed thereon at the rate of 12 cents per pound and 20 per cent ad valorem under paragraph 184, tariff act of 1897, as "mica, cut or trimmed," and it is claimed by the importers that the said merchandise is dutiable properly at 6 cents per pound and 20 per cent ad valorem under the same paragraph as "mica, XXX, rough trimmed only."

The samples before us disclose sheets of mica cut by a knife or scissors to true geometric shape or definite size, and by assorting are found to be ready for use as imported for electrical, insulating, and other purposes for which merchantable and recognized "cut mica" is used. The evidence shows that rough-trimmed or thumb-trimmed mica, as uniformly recognized in the trade, is mica from which the rough circumferences have been removed. To accomplish this a sickle or the hand of the operator alone is used; whereas to obtain the cut and trimmed mica the article after being split is cleanly cut to a definite shape or size, and is capable of use in that form for electrical work, stoves, smoke shades, or lamp chimneys. Each particular use requires a particular size and shape, and while the published price list of dealers in mica quote certain sizes, many other sizes than those embraced in said standard lists are cut as each consumer may demand the same for his particular purpose. All of the sheets before us are finished and ready for use, and the trade recognize them as mica sheets cut and trimmed. The importers do not deny that this mica is cut and trimmed, but they contend that it is not cut to some true and exact size referred to in the trade circulars. There are many sheets in this lot which do not measure exactly up to the size called for by the said lists, and even if all are not of this character, in any event the importers' contention can not be sustained. The rule is well established that an admixture of merchandise subjects the whole to the highest rate provided for any portion of the same. United States *v.* Ranlett (172 U. S., 133).

The evidence in this case justifies a ruling at variance with that arrived at by the board in Abstract 19340 (T. D. 29159); and we find therefore that the merchandise before us is mica cut and trimmed, dutiable at the rates as assessed. The protest is overruled and the decision of the collector affirmed.

BOARD OF UNITED STATES GENERAL APPRAISERS.

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EXHIBIT B.

CLEVELAND, OHIO, *January 22, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We being either miners, manufacturers, or dealers in domestic mica wishing to increase the production of mica in the United States, and believing that a fair protective tariff on foreign production properly administered will do this, have with several parties like interested conferred together to find an agreement of views to which we could all subscribe.

Believing also that your committee would consider and possibly follow a concerted expression of opinion, we present the following, suggesting that it replace the present section 184 of Schedule C:

Mica shall be classed as follows and subject to the following duty: (*a*) "Thumb trimmed," mica as mined or thumb trimmed, 6 cents per pound and 20 per cent ad valorem; (*b*) "knife trimmed," the rough edges removed with knife, shears, or machine, 10 cents per pound and 20 per cent ad valorem; (*c*) "cut mica," mica that has been cut or punched to any dimension or shape, 20 cents per pound and 20 per cent ad valorem; (*d*) "splittings," mica split to a thickness of five-thousandths of an inch or less, 12 cents per pound and 20 per cent ad valorem; (*e*) "built-up plate," mica in any form, grade, or condition that is built up or cemented together with any binding material, 20 cents per pound and 20 per cent ad valorem.

Trusting that this will meet with your approval, we remain,

Yours, respectfully,

THE GREAT SOUTHERN MICA COMPANY,
H. H. WARD, *Secretary.*

(Signed by Hall Brothers, Booneford, N. C., and 71 others.)

THE LAURENTIDE MICA CO., OF PITTSBURG, PA., ASKS A MORE DEFINITE CLASSIFICATION FOR MICA PRODUCTS.

PITTSBURG, PA., *February 25, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: I have been reviewing the statements made at the tariff hearings with reference to mica, and with your permission will call attention to some which have been made that may mislead the committee. For instance, Mr. Jefferson stated that his firm had not bought any Canadian mica and shipped it across the border. This statement is not true, as the Munsell Company, who own the Mica Insulator Company, with which Mr. Jefferson is connected, are large purchasers of Canadian amber mica and are shipping it to Schenectady, N. Y.

The statement of Mr. Jefferson, in which he evidently refers to the production of white or muscovite mica as being rather limited in this country, is due to the fact that the mica deposits have not been developed owing to India competition. In this connection I would state that our company has mined one million and a quarter pounds of rough-mined mica during the past twelve months in Custer County, S. Dak., where we have an unlimited supply, and are the largest miners in this country.

Again, Mr. Jefferson asks that 60 per cent duty be placed on manufactured mica, which would include Canadian amber plate such as we are manufacturing in Ottawa and shipping to our works at East Pittsburg. If the prices of amber mica are known to the committee they will readily understand that it is quite a hardship to the import-

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ers of this grade of material on account of the very high values. The amber plate which we build in Canada is built according to our specification, and practically the same quantity of amber splittings is used in the plate that we would otherwise import as splittings. Our company will not ask for the elimination or, in fact, any change in the duty, ad valorem or specific, on Canadian amber mica, and are willing to have it remain as it is, but to be distinguished from the muscovite mica, which is imported from India and other foreign countries and could be imported from Canada if the duty was eliminated, without distinguishing between the two grades of material, namely, phlogopite and muscovite.

Mr. Jefferson states that the muscovite mined in this country is hard and clear and hardly adaptable for most electrical purposes. While considerable of the muscovite mined in this country is hard, as Mr. Jefferson states, yet our product obtained from South Dakota is as soft as the India, if not softer, and very desirable for electrical insulation.

Mr. Underwood's reply to Mr. Jefferson is well taken, and we agree with Mr. Jefferson also that we should have protection against the foreign miner and manufacturer of muscovite mica in India or other countries where the price of labor, particularly in India, is about 8 cents per day, against $2.50 to $4, which we are obliged to pay our miners for the same material.

Mr. Jefferson is careful to ask for protection against the manufactured product being imported into the country, as his company controls a large output of India mica, and, as stated by Mr. Kingsley, of the same company, they are miners of India mica, consequently they have had advantage of importing their own raw material at a very low cost, manufacturing it at Schenectady and selling it at very high prices; and as some of the consumers and manufacturers of India product purchased from Mr. Kingsley's company would be required to pay them 25 to 35 per cent more for the raw material than they obtained it for themselves, you can imagine that the other importers and manufacturers in this country would have no chance whatever of marketing their product against that of the Munsell company.

This is the reason why Mr. Jefferson asks that 60 per cent duty be placed on manufactured mica, muscovite, and phlogopite, or Canadian amber, as they have the advantage of importing the raw material (muscovite) at very low values, and consequently crowd out of the market any of the other manufacturers. The duty on manufactured muscovite mica is taken care of in our modified tariff clause mentioned hereinafter.

Mr. Jefferson's reply to Mr. Clark is a misleading statement. The veins of mica in our mine at South Dakota are at least 15 feet wide, if not wider, and from present indications the supply is inexhaustible; so you will see there are large veins of mica, and mining in this country is profitable and can be made profitable if the miners are protected with suitable tariff to develop their properties.

Mr. Webster's statement that "North Dakota is producing some mica" is misleading. North Dakota does not produce any mica, but South Dakota produces mica in abundance, as we can prove.

Mr. Kingsley's statement that we can not get suitable mica in this country to manufacture built-up mica is not truthfully stated, as we are manufacturing built-up mica plate from the product of

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our mines in South Dakota, which is just as satisfactory as any India mica ever produced. It is an exceptionally good mica for splitting or cleaving, and we have no difficulty in producing it to the right thickness, namely, from 0.0005 inch to 0.0015 inch.

Mr. Kingsley states that his company ships Canadian amber mica to the United States. Mr. Jefferson is quoted as stating that they do not ship Canadian amber to this country.

Mr. Kingsley is quite willing to sacrifice his interest with Mr. Grindstaff as a southern miner, because the Government has helped him to import India mica of the same quality at less cost.

Mr. Kingsley's reply to Mr. Underwood to the effect that they can not use American mica for commutator work does not agree with the circular published by them to the effect that they are using India mica for commutator work of a certain class, and such India mica as they use for this purpose displaces the same amount of American muscovite of an equal grade.

The statements made by Watson Brothers in their letter regarding the production of mica in the United States and its quality will evidently mislead the committee unless they are better informed. These have been covered in the foregoing part of this letter, and we will not take your time to repeat them further than to say that Watson Brothers are importers of mica and not miners in the United States.

The statement that mica mining in this country consists of mining feldspar and quartz to get some mica is an absolute untruth. And that this country can not produce mica in equal size or quality and that the domestic material is used only for punching or grinding can be classed in the same statement.

Mr. Watson's statement to the effect that splittings can not be made in this country is of course without foundation. We can produce for an exhibit splittings which we have manufactured from South Dakota mica which are equal in every particular, grade and quality, to those obtained in India.

We are attaching hereto for your information a clause more definitely and clearly stated than that in the present tariff. It differs from that which will be presented to you by the southern miners in that we have not included the Canadian or Mexican phlogopite, known to the trade as "amber" mica. As this material is not mined in the United States, we do not think it should be included with the muscovite. We are quite willing that the present duty on Canadian amber should remain as it is. As stated in previous letter, the Canadian amber mica question has received constant attention from the American consul at Ottawa, Canada, and the present value and duty places this material at such a point as it will not interfere with the product of the American miner.

We have endeavored to give you the facts concerning the quantity and quality of the product of the American mines producing muscovite mica, and correcting the misstatements that have been made by those who are interested only in the importation of a mineral which will, if it is fostered, jeopardize the mining of the same quality of material in this country.

Yours, respectfully,

W. J. LONGMORE,
Vice-President.

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EXHIBIT A.

All mica, with the exception of Canadian and Mexican phlogopite (known to the trade as "amber" mica), shall be classified as follows and subject to the following duty:

(*a*) "Thumb trimmed." Mica as mined, cobbed, or thumb trimmed, 6 cents per pound and 20 per cent ad valorem.

(*b*) "Knife trimmed." Mica with the rough edges removed with knife, shears, or machine, 10 cents per pound and 20 per cent ad valorem.

(*c*) "Cut." Mica that has been cut or punched to any dimensions or shape, 20 cents per pound and 20 per cent ad valorem.

(*d*) "Splittings."—Mica split to a thickness of five-thousandths of an inch or less, 12 cents per pound and 20 per cent ad valorem.

(*e*) "Built-up plate."—Mica in any form or condition that is built up or cemented together with any binding material, 20 cents per pound and 20 per cent ad valorem.

It is understood that the above classification and duties apply only to Muscovite mica which is imported into the United States, and does not apply to Canadian or Mexican phlogopite (amber) mica, as the latter material is not mined in the United States, and consequently does not compete with the domestic product. We agree together that the present rate of duty on American mica will be satisfactory, and we do not desire any change.

WATCHES AND CLOCKS.

[Paragraph 191.]

THE WESTERN CLOCK MANUFACTURING CO., OF ILLINOIS, PROTESTS AGAINST REDUCTION OF DUTY ON TIMEPIECES.

WASHINGTON, D. C., *February 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, Western Clock Manufacturing Company, an Illinois corporation, respectfully protests against any lowering of the tariff upon watches and clocks, and for reasons therefor state as follows:

The Republican platform adopted at Chicago, June 18, 1908, provides as follows: "In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with the reasonable profit to American industries." This we believe to be the true principle and offer the following statement in support of our belief that the existing tariff on watches and clocks of the cheaper grade should not be reduced. A concrete illustration will afford perhaps the best argument that can be advanced.

The well-known cheap clock that is sold to the consumer at 60 cents to $1, sells at wholesale at 50 cents. The cost of this clock may be divided as follows:

	Cents.
Labor	19
Material	18¾
Superintendence, depreciation of plant, and general expenses, including experimental department and sales department	10½
Profit	01¾
Total	50

It requires 263 operations to put this clock together, one of which alone costs 1.65 cents, and three others together 3.10 cents, leaving

for the balance of 259 operations 15.25 cents, from which it will be seen that labor is not overpaid.

In comparing the cost of this clock with a similar clock of foreign make, we find that the foreigner has the following advantages:

First, it is found by actual investigation that the proportion of German to American labor is as about 8 to 20 cents, or, in other words, where the American labor on this clock is paid 19 cents, German labor is paid but 7.60 cents, maki ; a difference of 11.40 cents in favor of American labor and advantage of German manufacture. (A German workman, who had a contract to produce such clocks in Germany, made the statement that the contract price for labor on such a clock is 26 pfennigs, or about 6½ cents United States money.)

Second, material is cheaper abroad owing to the cheaper price paid for the labor to produce raw material used in this clock, which amounts in brass to about 1 cent per clock, and in steel wire about one-half cent.

Third, the cost of superintendence, office expenses, etc., is in the same proportion as labor—that is to say, where the American pays 10.50 cents the German pays about 4.20 cents, a difference in favor of the German of 6.30 cents.

From the above facts it is shown that the American manufacturer is at a disadvantage of 19.20 cents per clock, as compared with the German manufacturer, and the writer has seen instances where this clock imported from Germany has been appraised at 27 cents, this calling for a duty of 10.8 cents (file Nos. 40946–40947).

The German manufacturer has under the present tariff an advantage over the American manufacturer of 19.20 cents less 10.80 cents duty, or 8.40 on each clock, of which 6.90 are due to cheaper labor and 1.5 to cheaper material. It will be seen, therefore, that under the rule laid down in the Republican platform the existing tariff should not be reduced, but should actually be raised. (According to latest information, such cheap clocks are priced as low as 25 cents to 26 cents, paying a duty of no more than 10 cents to 10.40 cents.)

Further, a very vital point is the advantage the German manufacturer has over the American through the excellent horological schools established by the Government in districts where clock making is carried on. These schools are equipped by the State and headed by professors and experts whose services are free to the manufacturer, and a great deal of experimental work is done by them for the manufacturers. In this country every manufacturer of clocks is obliged to sustain an experimental department at his own expense. Furthermore, he fails to receive the benefit of the expert workmen produced through these schools in Germany.

It may be suggested that in justice to the American manufacturer, appropriations should be made by Congress for similar horological schools, which would be a benefit not only to the manufacturer but to the laborer as well.

If the existing tariff is reduced, two courses only are open to the American clock manufacturer. Either, first, to close out a business which would not possibly be conducted at a profit, or, second, to reduce the wages of labor, and the latter alternative is the one which in all likelihood would be adopted.

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The average wage of the 610 workmen (exclusive of salaried employees) in our factory is 19½ cents per hour. The average wage of the workman in the German clock factories which the writer visited was given the writer as between 3 and 3½ marks per day, that is in United States money 72 cents to 84 cents per day of ten hours, or 7.30 to 8.40 cents per hour, which is about as 8 to 20 compared with the wage paid in our factory, the latter being little enough for the workman to live upon, and yet is all that the factory can afford to pay.

Mr. E. Roth, as secretary of The Western Clock Manufacturing Company, makes these statements in reference to the cost of labor and material in Germany from information received by him during a visit to Germany in 1905, from a German factory owner whose works Mr. Roth inspected with said owner. The information which he received from the owner was verified by a former superintendent of said factory who is no longer in its employ.

The facts hereinabove set forth can be verified and substantiated, and we therefore submit that any reduction of tariff would be a wrong not only to the manufacturer, but to the American laborer as well.

All of which is respectfully submitted.

THE WESTERN CLOCK MANUFACTURING COMPANY,
E. ROTH, *Secretary and General Manager.*

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY, ON BEHALF OF THE IMPORTERS OF FRENCH WATCHES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully beg to submit to you for your consideration the following remarks:

Both the United States and France are manufacturers of watches, and import and export about the same quantity. The cost price and sale price of these watches is about the same for the different marks represented throughout the world, such as the "Waltham" and "Elgin," American marks; the "Omega," "Longines," and "Zenith," Swiss marks; the "Lip," "Gallia," and "Uti," French marks; which are all stem-winders with lever escapement, and jeweled generally 15 holes.

The raw materials for all these various fabrics are the same and often of the same origin. The methods employed are the same, and the cost of labor (which is only a secondary consideration in this case) is about the same in the three countries. All these marks, whether American, Swiss, or French, are sold to all French watchmakers at prices varying only by a few centimes. As an illustration we might state that the price of these watches for the marks above mentioned, in oxidized steel cases, duty and freight paid, is about 22 francs for the average watch.

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If we compare the duties on such watches in the United States and in France, we find:

	Value.	Duty paid by French watches imported into the States.	
		Amount (about).	Per cent of the value.
Lever escapement:			
15 jewels, without case	$19	$8.75	46
15 jewels, in metal	22	9.50	43
15 jewels, in silver case, 35 grains	28	11.00	39
15 jewels, in gold case, 18 k., 25 grains	125	35.00	28

	Value.	Duty paid by American watches imported into France.	
		Amount.	Per cent of the value.
15 jewels:			
Lever escapement, without case	$19	$6	32
Lever escapement, in metal	22	5	22
Lever escapement, in silver, 35 grains	28	8	28
Lever escapement, in gold case, 25 grains	.....	13	10

Owing to the high duty on watches imported into the United States competition by European manufacturers is greatly handicapped and the domestic manufacturers get a very high figure for their goods, but as they can not get rid of their whole production in their own country, they must export to Europe, and actually one of the largest American manufacturers is making great efforts to enter the French market.

It stands to reason that if the duty on French imported watches is maintained the French manufacturers will have to ask the Government, in order to protect themselves against the aggressive competition of American exporters, to increase considerably the duties on watches of American origin, and the first manufactured articles to which increased duties would be applied are the watch cases (designated as gold cased) which are imported from the United States and are called to find a very wide market in the near future in France, where this article is not manufactured, whilst it is in Switzerland and Germany. These prospects, which are certainly encouraging for your manufacturers, would be greatly handicapped if, in the next tariff, the exorbitant duties actually levied on French watches were to be maintained, whilst a reduction of the duties on French watches imported into the United States would be an equitable measure favoring the American consumer, and which would stimulate by a loyal competition the activity of the domestic manufacturers, whose prosperity would certainly not be endangered by a small importation of French watches into the United States.

It seems to us that in view of the above considerations you will recognize that the reduction in the duties imposed upon French watches would have beneficial results for both countries without endangering the trade of either.

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Trusting that you will give this matter the attention which it deserves, in our opinion, we remain, gentlemen,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

WATCH DIALS.

[Paragraph 191.]

THE O'HARA WALTHAM DIAL COMPANY, WALTHAM, MASS., SUGGESTS NEW CLASSIFICATION AND SCHEDULE OF RATES FOR ENAMELED WATCH DIALS.

WALTHAM, MASS., *February 16, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

SIR: We have the honor to file, as supplemental to our brief of November 23 last, additional facts relative to the needs of our industry.

As stated, since 1890 we have, at large expenditure, endeavored to maintain a manufacturing plant for the production of watch dials, requiring skilled employees, who receive good wages. When we commenced business, in 1890, enameled dials of all kinds were imported into this country in large quantities and at high prices.

Years ago all dials were painted by hand. We then invented a process for painting in mineral colors on watch dials. This process could not be patented without advertising to the world the saving it made in labor. We were then enabled to not only compete with the low wages paid abroad but to make a good profit. Through it and our competition we reduced the price of dials to all manufacturers in America 60 per cent.

Fifteen years ago we gave permission to the Waltham Watch Company to use, for the sum of $25,000, our process, which later was stolen, or, as one Swiss manufacturer naively told the writer, was "rediscovered." As a consequence, all foreign dial makers are now using our process without remuneration to us and their labor cost is now one-third of what we are obliged to pay.

In 1897 we appealed to the Committee on Ways and Means for a specific duty, rather than an ad valorem, as the only sure way to compensate for the difference between the wages paid here and abroad. The committee were of the opinion that 40 per cent ad valorem duty would protect us; that it has not is shown by the fact that the foreign watch dial importations have so steadily increased that they have practically absorbed the trade in certain lines. They are able to deliver dials at the United States watch factories and pay a commission to the middleman at prices we can not meet.

Dials are small in size and are rarely counted by customs examiners. To facilitate this packages must be opened, to which the importers will not submit. Dials are an assembled part and do not go to the consumer, but are sent directly to the manufacturer; yet the importers claim that if the packages are broken for examination the value of their goods is affected. Substantially, enamel dials are not classified as a distinct article in Treasury statistics, but are bunched with other material associated with the manufacture of

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watches, so that accurate data respecting quantities, values, and prices are inaccessible.

The American watch and instrument manufacturers are now patronizing foreign factories; they only order from us when they desire especial expedition and in the case of order work.

In 1897 we were informed that the volume of the dial business was not sufficiently large to be of much consequence to the Government as a revenue producer. This is true when compared with other classes of staple imports. We confidently assert that with adequate tariff production we can give employment in this country to several thousand work people at good wages. Instrument and watch makers are highly protected, but the dial maker has heretofore been asked to exist on but a remnant of protection. We are the only United States manufacturers of enameled goods to-day making watch dials. We have facilities in the way of tools and plant superior to any factory abroad, yet are unable to meet foreign competition and make a profit. Indeed, in the last year and a half we have run our factory at a loss, although this loss is not wholly due to the tariff, but in a measure to business depression. It may be of interest to your committee to know by name the various dial manufacturers who in the recent past have been forced by the inadequate tariff protection to abandon the business:

Schmaltz & Firmbach, New York.
Gold & Co., New York.
Pilgrim Dial Company, New York.
Caeser Brothers, New York and Long Island.
Eaton Dial Company, Sag Harbor, N. Y.
Haffen & Winchel, Brooklyn, N. Y.
Moser Brothers, Chicago, Ill.
Chicago Dial and Enamel Company, Chicago, Ill.
Hines & Co., Philadelphia, Pa.
Duff & Solace, Torrington, Conn.
Christ Wassmer, Waterbury, Conn.
Roesger & O'Hara, Waltham, Mass.
E. D. Wetherbee, Waltham, Mass.
Williams & Wetherbee, Waltham, Mass.
Elgin Dial Company, Elgin, Ill.
Joseph Solace, Hartford, Conn.
Joseph Kiel, Providence, R. I.

Foreign dials are put on American watches and sold at home and abroad as American goods. To avoid the law the foreign makers use a rubber stamp with which to imprint on the back of the dials the country of origin. With a slightly moistened cloth the marking is easily erased—a common practice. In 1905 a large American company objected to having their name stamped on the dials which were made abroad, because they did not fit the movements and were sold by importers as their goods. The importers have thus far been unable to induce any foreign manufacturer of note to establish a factory in this country.

We feel that there is no positive way of insuring the proper assessment and collection of an ad valorem duty on watch dials, unless foreign market values are ascertained accurately and the goods counted on arrival by the customs officers.

Dial making calls for skilled hand labor in a specific line. Our people are educated at large expense to us, and are difficult to replace. To the foreign maker much floating help is available, at lowest wages, and there are industrial schools which turn out dial makers. With the imposition of a higher duty, the manufacture of enameled goods in this country will certainly be stimulated, insuring large and lucrative employment of help. Substantially, we pay three times as much for labor, per employee, as governs in Switzerland, France, and Germany. The "home workers" in these countries make "ordinary" dials at still lower rates.

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The American watch and instrument makers here, utilizing foreign dials, at minimum cost, are able to ship their product to nearly every foreign country.

During the fiscal year of 1907 the American manufacturers of watches, who have gained great prestige for their products in foreign markets, have received in the return of the duties paid on the imported materials used, including dials, a sum aggregating $8,193 in refund by the drawback privilege, substantially increasing their profits. During the same period, according to Treasury statistics, the value of the import of watches, movements, cases, and parts of watches, "including dials," paying 40 per cent ad valorem duty, has aggregated $844,000.

We have referred to the fact that imported dials are passed per invoice as packed, not examined, graded, or counted, and that the values stated in the import documents are blindly taken for foreign market value. These values have been arbitrarily given by shippers and stand unverified by the customs officers because, chiefly, of the great difficulty in obtaining cost of foreign manufacture or of market value.

We have therefore been confronted by administrative conditions, and further handicapped by the cheap foreign cost of production. As previously stated, the foreign dials must, by law, be stamped with "country of origin" on importation, yet has any member of your committee ever seen an American watch with a dial bearing the imprint of "Made in Germany" or "Made in Switzerland?"

Permit us to refer to the communication of W. J. Riglander (an importer), of New York, dated December 24, 1908, who, in following the plea of the watch manufacturers, said:

> You will undoubtedly recollect me from my name, as I have had former communications with you in reference to tariff matters and on several occasions have been before your honorable committee.

There is nothing peculiar about Mr. Riglander's name, except so far as he uses it with you in a personal capacity in doing the official business of the watch material importing house of Hammel, Riglander & Co., of New York and Frankfort, Germany. Further, he says:

> I note an application has been made before your honorable body in reference to reducing the duty on watch glasses by putting them on the free list.

A close scrutiny of the tariff hearings fails to reveal such an application. He recommends that "No reduction should be made in the duty on watch glasses unless the same reduction is made on the other items or parts of watches which are imported."

He neglects to state the fact that no watch glasses have been manufactured in this country and that, like white glass enamel, never can be, economically, because of the special conditions governing their manufacture; nor does he state that a few years ago the European watch glass manufacturers organized a combination in the form of a trust and that prices immediately soared. These prices are fixed by a foreign board, in a foreign country, without regard to the cost of construction. This result was largely achieved through the personal efforts of Mr. Hammel, of Frankfort, Germany, and Mr. Riglander, of New York, as heads of the house of Hammel, Riglander & Co. in their respective countries. It is not fair to domestic manufacturers that "other items, or parts of watches," shoudl be placed in the same class with watch glasses, because the conditions which

govern the manufacture of other watch materials are wholly dissimilar. Enameled dials, for instance, have been and are manufactured in this country, and would be in increasing quantities if the law was so framed that expert importers could not evade it.

Mr. Riglander further states:

There are some small watch companies in the United States which, owing to lack of capital, are under the necessity of purchasing quite a large proportion of their material in the foreign market, and they certainly ought to be entitled to some consideration in the revision of the tariff.

Mr. Riglander does not mention the name of any of these "small watch companies," and can not, because none exist in the United States. Large capital is a prerequisite for the manufacture of watches in order to meet even domestic competition.

The records of the Treasury Department, if consulted, will show that the authorities had continued difficulty in collecting the proper duties on Mr. Riglander's importations, i. e., parts of watches, materials, dials, etc., and in one year alone he was forced to pay, in increased duties and penalties, nearly $5,000.

To indicate the effrontery of our foreign competitors, we submit the below letters:

[Translations.]

FLUCKIGER & DRECHSEL,
ABRIQUE DE CADRANS D'ENAMEL,
St. Imier, Suisse, September 10, 1908.

O'HARA WALTHAM DIAL COMPANY,
Waltham, Mass.

GENTLEMEN: Permit us to attract your attention to our manufacture of dials (soigned) and extra (soigned).

After a long experience and personal experiment of ateliers of painting exclusively for hand work and artistic decorations, we are in a position to respond to all calls. More especially it is our enamel dials, extra thin of (55 per cent thickness) second dial we desire to call your attention. They are destined to suit the very flat watch on account of their very feeble thickness. These dials obtain with all people. We recommend ourselves to your favor, and in return give the assurance of our perfect consideration.

Yours, truly, FLUCKIGER & DRECHSEL.

MANUFACTURE DE CADRANS EN TOUS GENRES,
Le Locle, October 24, 1908.

Mr. O'HARA, *Enamelier, Waltham, Mass.*

MISTER: For a long time I have had the idea to establish in America a manufacture of dials. Some influential friends with capital have consulted me. However, before making a definite decision, I have an idea that we could with an agreement make this combination complete. The principal part of the manufacture is the enameling, which could be done in Switzerland. The rights of entry there would be very reduced to land the dials in America, so that the placing of the seconds and centers is all that is necessary to make the furnishing in all the kinds now selling, as well and as carefully made.

The American manufacturers would have, without contending, a great advantage; they are not obliged to carry so much in stock.

The Swiss watches could be imported without the dial plate, and the putting together could be done in America, another advantage, considering the fragility during the transportation.

I wished in this letter to show you in a few words what a royal combination (in business) could be made among us. I want you to tell me frankly exactly what you think about it.

I pray you to excuse me for the liberty I have taken, and with hope for a response, accept, Mister, the assurance of my distinguished consideration.

Yours, truly, FRITZ HESS.

(Mr. Hess is one of the largest dial manufacturers in Europe supplying American watch companies.)

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CHARLES LAUPER,
Locle, Switzerland, November 20, 1908.

Mr. D. O'HARA,
Waltham Manufacturing Company.

DEAR SIR: Since your letter of October 25, 1907, I have heard nothing concerning you. It was surely the consequence of the low state of the business, but you have now a new President and business is raising up again.

I take the liberty to ask you if the experiments with transfer and paillons for dial decoration have given a good result in your States.

I am sending you a small engraving, and shall be glad to hear news from you.

I was very sorry not to see Mr. D. O'Hara when he passed through Switzerland; I hope very much to see him next time.

Truly, yours, LAUPER.

WALTHAM, MASS., *December 9, 1908.*

Mr. CHARLES LAUPER,
Locle, Switzerland.

DEAR SIR: Please pardon delay in acknowledgment of your courteous letter. The samples of which you sent us were very nicely done and for less than half the price they could be produced in the United States, on account of the advantages which your country enjoys over ours in the lower price of labor and the ability to secure an abundance of skilled help in your particular line. The transfer to which you have adapted your engravings was invented and formerly worked by us alone. At that time we had large orders for American work and had to compete only with your country's photographic transfer and hand work. The writer expects to be in your country again late this winter or early in the spring, and will be pleased to look you up in a friendly way and discuss matters with you.

Yours, truly,

O'HARA WALTHAM DIAL COMPANY.

According to the reports on commerce and navigation, since 1898 the import activities of watch material, including watch dials, assessed 40 per cent ad valorem, vide paragraph 191, have increased 263 per cent.

At the present time by reason of our manufacture import prices have been largely reduced.

Below are the prices of dials as listed by the different American watch companies:

Company's name.	One-piece dial.	Two-piece dial.	Three-piece dial.	Discounts.
Elgin Watch	$9-$15 dozen	$9-$24 dozen; $18, decorated.	$24-$30 dozen	6 per cent for cash to retailer.
E. Howard	None listed	$15 dozen	$30 per dozen	6 per cent for cash to retailer; 33⅓ per cent, 6 per cent to wholesaler.
New England	Dealer, 30 cents and 50 cents each; price includes dec.; retailer, 50 cents and 75 cents each.	Dealer, 55 cents each; retailer, 75 cents each.	$5-$6 dozen	Cash, 6 per cent; C. O D., 6 per cent; 10 days, 6 per cent; 30 days, 5 per cent; 60 days, net.
New York Standard	Sell their dials to the trade at $5 per dozen.			Jobbers, 25, 10, and 6 per cent; retail, 6 per cent.
Rockford	None listed	$9-$18 dozen	$24-$30 dozen	Jobbers, 25, 10, and 6 per cent; retail, 6 per cent.
S. Thomas	$6 dozen, no sec.; press sec., $6 to $9; press sec., fancy, $18; imitation D. S., $12 dozen.	$9 dozen; fancy, $18.	$18 dozen	Jobbers, 33⅓ per cent and 5 per cent net 30 days; trade, 5 per cent net 30 days.
Waltham Watch, split second dials, minute register, and chronograph combined.	$7-$15 dozen	Sunk or cut sec., $15-$36 dozen.	$27-$48 dozen	Net price, $60 dozen.

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The Hampden Watch Company ignored our request for copy of their price list.

In reference to wages paid abroad and in this country, we would refer you to letters of the Waltham Watch Company, and also to letters from George F. Hunter, of the Elgin Watch Company.

Wages paid in the manufacture of watches or parts of watches, materials and dials, United States, England, Switzerland, and Italy compared.

Average per day.	Waltham.	England.	Switzerland.	Italy.
To men	$3.24	$1.31	$1.10	$0.33
To women	1.52	.85	.80	.22½

It thus appears that to men is paid in Italy one-tenth the United States rate, in Switzerland one-third, and about the same in England. The differences favoring American women employed are, as the above table shows, equally impressive.

Mr. Hunter says that the foreign wages paid are "only 37½ per cent of those paid in the United States."

The wages, at the present time, paid in dial making in Switzerland, Germany, and other places, is about one-third of what we pay here.

Daily wages paid by us in 1908.

	Minimum.	Maximum.
Painters, women	$1.48	$1.85
Firers, men	2.61	3.27
Enamelers, etc., men	1.59	1.95
Finishers, men	1.70	3.00
Designers and artists (men and women)	4.50	4.65

Average, men, $2.90; women, $1.67.
No children employed, as prevails abroad.

Taking 100 as a unit, cost of production may be stated thus:

	Per cent.
Material	15
Labor	65
Administration, fixed charges, interest, insurance, taxes, and profit	20

We are capable, under a specific duty, to supply the needs of American watch, clock, and other registering instrument makers with the enameled dials they require.

When the lower cost of foreign production is taken into consideration, also the gross undervaluations, cheap ocean freights, etc., we find that in practice the present ad valorem duty of 40 per cent does not yield half of that rate.

White glass enamel used on watch dials can not be made in this country. We have experimented repeatedly for those who have tried so hard to manufacture here. Our correspondence on this subject will be gladly submitted. Again, this enamel can not be utilized on anything except thin, chemically pure copper. The enamel which is used on jewelry, bath tubs, toilet articles, iron signs, cooking and eating utensils, etc., is of a wholly different nature and can not be used in making enameled dials. The production of this enamel is controlled by three families and the secret has been handed down from father to son for generations. One such enamel maker

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can produce enough in any given time to keep 500 manufacturers busy at work during the same period.

In the making of dials, using the imported enamel, one-third is lost in washing and other processes, and the waste incident to further manufacture is very great, approximating another one-third. The dials are extremely fragile and from this cause the waste is excessive. The foreign manufacturer pays no duty on his enamel. Except on white enamel we are required to pay duty. Upon the fusible enamel, which we use in quantity, the rate assessed is 25 per cent ad valorem, vide paragraph 113, which rate of duty should be retained, as well as paragraph 564 in the free list.

We have respectfully to recommend that paragraph 191 be amended by the elimination of the words "including watch dials," and any other enameled dials or indicators, and a new paragraph be supplied in the law to read as follows:

Enameled dials of all kinds and enameled indicators or registering plates in one piece the duty shall be 4 cents each; on flat dials made in one piece with depressed seconds, 6 cents each; on dials made in one piece with depressed seconds and centers, 7 cents each; on cut-second dials made in two pieces, 8 cents each; on double-sunk dials made in three pieces, 10 cents each; and white or colored dials, decorated or inlaid with gold, silver, platinum, or mineral paints, 12 cents each.

We beg to explain in regard to the above rates that watches costing $1 or less each are fitted with paper or celluloid dials.

The 4-cent duty would apply to dials for watches costing from $1 to $3 each and instruments costing up to $500 each.

The 6-cent duty to dials on watches costing from $3 to $7 each.

The 7-cent duty and 8-cent duty to dials which would be applied to watches costing from $8 to $15 each.

The 10-cent and 12-cent rates would apply to dials on watches costing from $15 to $500 each.

For your information we beg to hand you herewith a case of illustrative samples of our dials, such speaking in our behalf more potently than words, in that they show at a glance how large an extent in manufacture is our labor cost, notwithstanding the claim made by various instrument makers that such product is raw material.

All enameled dials for watches, clocks, or other registering instruments are made in one or more pieces. Some of them are plain flat dials, painted in black and white (see Exhibit A); some are made with depressed seconds in one piece (Exhibit B); some with depressed centers and seconds (Exhibit C); some with "cut seconds" in two pieces (Exhibit D); some in double sunk in three parts (Exhibit E); others are decorated in colors, or with gold, silver, platinum, or jewels (Exhibit F). The so-called "dollar watches," cheap clocks, and toy instruments are fitted with dials made of paper, zinc, celluloid, etc. Watch, clock, and water and gas meters and other registering instruments costing from $2 upward have flat enameled dials made in one piece (Exhibit A). Watches selling from $4 to $10 are matched with dials having depressed centers and seconds (Exhibit C). Watches costing from $10 upward are assembled with "cut seconds," double sunk, or decorated dials (Exhibits D, E, and F), and may cost anywhere up to $100 or more. Taking completed watches and clocks of all kinds, the dials will represent one-tenth of the labor cost; in other words, an examination of the pay rolls of manufacturers of watches and clocks, making a completed article, show that 10 per

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cent of the operatives are engaged in making the various grades of dials.

Furthering our industry means good employment of the best class of work people, and we earnestly appeal to you for an adequate adjustment of the rates of duty, in order to save this industry to Americans, rather than to throw wide open the door to the product of the lower priced labor of Europe.

Respectfully,

O'HARA WALTHAM DIAL CO.

ZINC AND ZINC ORE.

[Paragraphs 192 and 514.]

THE GEOLOGICAL SURVEY, GEORGE OTIS SMITH, DIRECTOR, FURNISHES INFORMATION REGARDING PRODUCTION AND CONSUMPTION OF SPELTER IN 1908.

WASHINGTON, D. C., *February 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The production of spelter in 1908, in tons of 2,000 pounds, was as follows:

	1907.	1908.	Decrease in 1908.	
			Quantity.	Percentage.
Production of primary spelter in the United States	249,860	210,424	39,436	15.8
Consumption of primary spelter in the United States	228,509	215,401	13,108	5.7
Production of spelter in the world	813,842	799,644	14,198	1.7

Production of primary spelter in the United States in 1907 and 1908.

APPORTIONED ACCORDING TO SOURCE OF ORE.

Locality.	Quantity.	
	1907.	1908.
United States:		
Arizona	77	152
Arkansas	1,911	2,002
California	140	27
Colorado	26,077	24,885
Idaho	3,508	581
Illinois	1,446	298
Iowa	220	516
Kansas	13,850	8,628
Kentucky	358	341
Maine	1	.....
Missouri	141,824	123,655
Montana	.....	900
Nevada	1,692	398
New Jersey	13,573	6,926
New Mexico	136	134
Oklahoma	719	2,235
Tennessee	181	341
Texas	16	.....
Utah	1,972	282
Virginia	771	910
Wisconsin	15,273	17,538
Total domestic	223,745	190,749
Foreign:		
British Columbia	545	2,425
Mexico	25,570	17,250
Total foreign	26,115	19,675
Grand total	249,860	210,424

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Production of primary spelter in the United States in 1907 and 1908—Continued.

APPORTIONED ACCORDING TO LOCALITY IN WHICH SMELTED.

Locality.	Quantity.	
	1907.	1908.
Eastern, Southern, and Western States	42,929	35,817
Illinois	56,056	50,244
Kansas	134,108	99,298
Missouri	11,732	10,201
Oklahoma	5,035	14,864
Total	249,860	210,424

Production of secondary zinc in the United States in 1907 and 1908.

	1907.	1908.
Secondary spelter	18,841	[a] 12,000
Recovered zinc in alloys	1,417	[a] 700

[a] Subject to final revision.

Consumption of primary spelter in the United States in 1907 and 1908.

	1907.		1908.	
Supply:				
Stock, January 1—				
In bonded warehouses	.....		2	
At smelters	3,824		26,364	
Production	249,860		210,424	
Imports	1,778		881	
Total available	.....	255,462		237,671
Withdrawn:				
Exports, foreign	9		8	
Exports, domestic	563		2,640	
Stock, December 31—				
In bonded warehouses	2		9	
At smelters	26,364		19,613	
Total withdrawn	.....	26,938		22,270
Apparent consumption	.....	228,524		215,401

World's production of spelter in 1907 and 1908.

Locality.	Quantity.	
	1907.	1908.
Australia	1,098	1,198
Austria and Italy	12,522	[a] 15,680
Belgium	170,307	181,910
France and Spain	61,438	61,533
Germany:		
Rhine District	77,459	80,696
Silesia	152,611	158,379
Great Britain	61,286	60,049
Holland	16,526	19,023
Poland	10,735	[a] 10,752
United States	249,860	210,424
Total	813,842	799,644

[a] Estimated.

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Exports.

	1907.	1908.
Zinc ore	20,352	26,108
Zinc dross	9,593	8,405

NOTE.—Imports and exports of spelter are given above under the heading "Consumption."

C. E. SIEBENTHAL.

CHARLES T. ORR, WEBB CITY, MO., FILES BRIEF FOR ZINC ORE TARIFF CLUB, ASKING FOR DUTY ON ZINC ORE.

WEBB CITY, MO., *February 6, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: I desire to submit some reasons why the zinc miners of the Missouri-Kansas district need a tariff on imported zinc ore and the amount of tariff we believe necessary to afford us adequate protection, also to make a few substantial statements refuting some of the arguments that have been submitted in the briefs filed by some of the smelter owners.

REASONS WHY TARIFF ON ZINC ORE IS NEEDED.

The zinc miners of the Missouri-Kansas district need a tariff on zinc ore by reason of the fact that zinc ore is mined in Mexico at a much less cost than it is or can be mined in the United States. The principal reason the cost is less to the Mexican miner is because in Mexico the labor costs are less. In addition to this Mexico has certain natural advantages in the way of large deposits of ore that can be mined with comparatively little expense.

THE DIFFERENCE IN COST OF MINING IN UNITED STATES AND MEXICO IS DUE TO THE CHEAP LABOR OF MEXICO.

Now the question arises, what is this difference in cost? It seems to me that this is the sum and substance of the whole question. In briefs already submitted by Mr. Maury and by Mr. Mitchell in behalf of the American zinc miner, it has been shown that the cost of producing Mexican zinc ore is about $11.82 per ton. It has also been shown by the same briefs that the average cost of producing a ton of zinc ore in the Missouri-Kansas district is $37.78 per ton. This statement, you will observe by examining the references cited, gives the average cost of production as reported by ten representative mining companies for mines in the Missouri-Kansas district.

Now, in support of the above statements as to the comparative low cost of producing Mexican zinc ore, I want to call your attention to the language of Mr. Cockerill, president of the Cockerill Zinc Smelting Company, as expressed in his brief filed before the Ways and Means Committee December 8, 1908, in which Mr. Cockerill makes use of the following language:

> The object of the tariff, as we have always understood it, is, first, to raise the revenue for the expenses of the Government; second, to protect manufacturers and the wage-earners employed by them. If the object in putting a tariff on zinc ore be to raise revenue, the duty that has been charged erroneously and unjustly up to this time, namely, 20 per cent ad valorem, which means about $3.20 per ton of ore, will be equal to what we consider a fair average profit. In other words, it means taking the entire profit on the imported article and appropriating it for the government expenses.

I do not desire to quote Mr. Cockerill for the purpose of controversy, but for the purpose of having him support the statements I have already made regarding low cost of producing Mexican zinc ore. You will observe, after Mr. Cockerill states the two prime objects of the tariff (and in their order as he sees them), he goes on to say that he has been paying about "$3.20 duty per ton, 20 per cent ad valorem;" $3.20 duty at 20 per cent ad valorem would then represent a total cost of $16 per ton. Now, taking Mr. Cockerill's own figures in this matter, what do we have? The Mexican ore costs the smelters $16 per ton, and this represents not only the cost of production to the miner, but also the Mexican miner's profit.

It is not my purpose in writing this article to enter into the discussion of the comparative value of Mexican and American ore. Others have shown that in briefs already filed, but I will speak briefly of the comparative values of the two ores, in order to make the point conclusive, that the Mexican ore is produced at a cost so much less than the cost of the American ore that in order for the American miner to receive American wages he must have protection on the importation of zinc ore.

The average Mexican ore will produce about 40 per cent metal, while the average Missouri-Kansas ore will produce about 60 per cent metal. Now, it is not within my province to discuss the comparative cost of smelting these ores or how much of this metal the smelters recover. Metallurgists of repute state that the Mexican ore is smelted at a less cost per ton than the Missouri-Kansas ore, due to the fact that the Missouri-Kansas ore contains a large per cent of sulphur. The Mexican ore, the smelters themselves say, makes just as good spelter as the American ore. The only fair way to compare these two ores is to compare them on the amount of metal they will produce, since that is what the proposed tariff is based upon, and I have taken the average of both districts.

The "metallic contents" of zinc ore means the number of pounds of spelter—the marketable product—that is manufactured from the zinc ore produced by the mines.

I find that there is much confusion in many minds as to what is meant by a duty of 1½ cents per pound on the "metallic contents" of zinc ores. The following examples are worked out in detail with a view of making the matter plain:

(1) Take the case of a 40 per cent ore, such as comes from Mexico:

2,000	pounds in 1 ton of ore,
.40	percentage of zinc (metal) in the ore,
800.00	pounds metallic zinc in 1 ton or ore,
.015	proposed duty per pound on metallic contents,
$12.00	duty on metallic contents of 1 ton of 40 per cent ore.

(2) Take the case of a 60 per cent ore, such as Missouri-Kansas concentrates:

2,000	pounds in 1 ton of ore,
.60	percentage of zinc (metal) in the ore,
1,200.00	pounds metallic zinc in 1 ton of ore,
.015	proposed duty per pound on metallic contents,
$18.00	duty on metallic contents of 1 ton of 60 per cent ore.

which is equal in metallic contents to 1½ tons of 40 per cent ore.

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An illustration that will make this entirely clear might serve a good purpose. Suppose that 2,000 pounds of corn should yield 60 per cent good meal. That would represent the metallic contents of 1 ton of 60 per cent ore. Then, again, suppose on account of larger cob or smaller grain another 2,000 pounds of corn should yield only 800 pounds (40 per cent of its weight) of meal. Now, suppose again that the meal in both instances is of the same grade. We have by this a fair comparison of the two ores. Just as good spelter is made from the Mexican ore as from the Missouri-Kansas ore, but the Missouri-Kansas ore yields more pounds of spelter to the ton than the Mexican ore.

We have then this fact from Mr. Cockerill: Since a ton of Mexican ore will cost the smelter $16, then a ton and a half of the Mexican ore will cost the smelter $24. This ton and a half of ore will produce the same amount of metal as a ton of the Missouri-Kansas ore. Now, 1½ cents per pound duty on 1,200 pounds (which is 40 per cent of 1½ tons, or 3,000 pounds), amounts to $18. This $18 added to the cost that Mr. Cockerill says he pays would make a total cost to the smelter of $42. Assuming Mr. Cockerill's figures to be correct, 1½ tons, or 1,200 pounds, of metal of Mexican ore costs $42, including the tariff of 1½ cents per pound and including the profit to the Mexican miner. Then, since the average cost to the American miner is $37.78 in producing a ton of zinc ore in the Missouri-Kansas district, the difference between $37.78 and $42 would be $4.22, or the margin of profit to the American miner in the Missouri-Kansas district. It is generally conceded that the profit to the smelter man is much larger than this, and we do not begrudge the smelter man his profit. In fact we want him to make a profit and we want some profit ourselves.

The smelter is a manufacturer and has a tariff protecting spelter, his manufactured article.

The American zinc miner produces the raw material for the spelter and has no tariff protecting his product.

Comparing the two occupations, the smelters have protection by a tariff of $30 per ton on spelter, their finished product, and are engaged in a manufacturing proposition. They buy their ore at a certain price and usually sell their spelter in advance on contracts gauging those sales on the price paid for ore. How about the miner? The risk and uncertainty of the mining business generally are known to everyone, and zinc mining is no exception. Certainly the smelters should in fairness concede that the miners as well as the smelters are entitled to a legitimate profit.

WHY COCKERILL BUYS MEXICAN ZINC ORE.

In June, 1908, Mr. Cockerill in the presence of one hundred or more mine operators and business men, at a meeting of the Engineers Club of Joplin, made the statement that he bought Mexican ore because he could make more money on it. And I for one am not surprised that the smelters prefer Mexican ore for that very reason. And for the same reason it is logical to suppose that they are now opposing a duty on Mexican ore. At that same meeting Mr. Cockerill advised us to shut down our mines to curtail production, claiming there was a big surplus of spelter on hand, and yet he states in the brief referred to above that "The United States can not furnish the ore needed."

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At that same meeting in Joplin last summer I asked Mr. Cockerill, when he was advising us to close down our plants to curtail production, "If we shut down our plants to curtail production, will you stop shipping in Mexican ore during that time?" And what did Mr. Cockerill reply? He said, "No; he had contracts that he must fill." (I will refer to those contracts directly.) Then I asked him the question, "Where would the miner of the Missouri-Kansas district be if we close down our mines according to your advice, and where would the laboring men of this district be if we close down while the smelters get their ore from Mexico and so encourage the Mexican miner to open up more mines and increase their production?" Mr. Cockerill did not answer that question.

THE MEXICAN MINER PAYS THE TARIFF.

I want to refer again to the quotation made from Mr. Cockerill's brief, as given above, where he refers to the duty paid on the ore imports from Mexico and uses the following language, viz, "Twenty per cent ad valorem, which means about $3.20 per ton on ore, will be equal to what we consider a fair average profit. In other words, it means taking the entire profit on the imported article and appropriating it for the government expenses." I do not know what method Mr. Cockerill uses now in settling for his ore, but I do know that in company with his buyer in the fall of 1905, in the city of Monterey, I was present when Mr. Robertson was settling for some ore bought of the Mexicans, and the tariff was deducted from the amount due the miner. I was told by Mr. Robertson at that time that this was the way they settled for their ore, viz, the tariff was deducted from the settlement. Mr. Cockerill very adroitly shows that the Government is now taking $3.20 per ton as ad valorem duty, which he claims is a very good profit for the smelter man, and yet he deducts that tariff in settling with the miner.

In further support of this I have a letter from Mr. Joseph Aldrich, who is mining in Mexico, and he states in answer to my questions, (1) that his ore is dutiable, and (2) that the duty is deducted by the smelter man when they settle with him for his ore.

The Mexican mine operator has peon labor and should pay to the United States Government the difference in cost of his labor and the cost of same labor in the United States.

Then it is not the smelter but the Mexican mine operator that pays the tariff, and that, gentlemen, is what we want. We want the Mexican mine operator put on a basis where he can not undermine the American mine operator by the cheap labor of Mexico. We want to make him pay the difference to the United States Government, and in this way the United States Government will derive a revenue and the American laborer, who is worthy of his hire, shall have American wages and an American home.

Mr. Cockerill, in his brief submitted December 8, 1908, quoted very generously from Mr. Ingalls, editor of the Engineering and Mining Journal. One quotation that I desire particularly to refer to in quoting from Mr. Cockerill's brief is as follows: "A subject that is especially engaging attention in the Joplin district is the organization of an effort to secure the imposition of a tariff on zinc ore at the next session of Congress. In several of the towns of the district zinc-ore tariff clubs are being formed."

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If Mr. Cockerill had gone on with that same article and quoted it a little farther down, he would have quoted Mr. Ingalls as saying the following: "The smelters are naturally opposed to any move in this direction. Theoretically the smelter is a middleman who doesn't care whether the price of spelter be high or low, provided he is able to realize an adequate margin. Practically, the smelter prefers a high price to a low price, because under the former condition his margin is generally larger." Mr. Ingalls states their position very clearly and correctly, we believe, when he says: "The smelter is a middleman who doesn't care whether the price of spelter be high or low, provided he is able to realize an adequate margin."

MR. INGALLS, IN HIS EDITORIAL, COMPARES THE SMELTERS AND MINERS.

Further on in the same article, under the same date, Mr. Ingalls says: "On the other hand, it is to be recognized that the present lot of the miners in the Joplin district is not a comfortable one." So we have in this editorial (see Engineering and Mining Journal, August 22, 1908) from Mr. Ingalls (who is very generally recognized as an able defender of the smelters' interests) a fair comparison of the smelter and the miner and the relative positions they occupy. The smelter "doesn't care whether the price of spelter be high or low, provided he is able to realize an adequate margin," while, on the other hand, "the present lot of the miners of the Joplin district is not a comfortable one."

SUMMING UP SOME OF THE INCONSISTENCIES OF MR. COCKERILL.

Mr. Cockerill's arguments against the proposed zinc ore tariff are inconsistent with facts stated by himself in his brief and elsewhere, because—

(1) He advises at one time the zinc miners to close down their plants to curtail production. A few months later he states the American mines can not produce enough ore.

(2) He states he prefers Mexican ore to American ore, because he can make more money from it, and when advising the American miner to close his mines to curtail production refuses to discontinue Mexican shipments.

(3) He minimizes the importance of Mexican ore shipments in tonnage by saying there were but 280,000 tons of Mexican ore imported during the past four years. (See brief filed December 14, 1908.) And in his brief filed December 8, 1908, he foresees dire results if these shipments are interfered with.

(4) He says the smelters pay the duty—and yet that duty is deducted in settlements with Mexican mine operators.

(5) He bewails the small smelter profits and attempts to support this position by quoting partially an article from Mr. Ingalls, of the Engineering and Mining Journal, whom he cites as authority; and that same article fully quoted declares that "the smelter is a middleman who doesn't care whether the price of spelter be high or low, provided he is able to realize an adequate margin."

(6) The "small profits" plea is inconsistent with the fact that in six years Mr. Cockerill has been enabled to enlarge the business of his company to six times its original capacity.

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(7) He laments that the cost of smelting Mexican ores is great and yet pays the Mexican miner a higher base price than he pays the American miner. (See Mr. Lang's letter infra.)

(8) He states to the honorable members of the Ways and Means Committee that the United States can not produce enough zinc ore and yet he knows or could know, that in the past ten years nearly every year a close down of the mines has occurred in the Missouri-Kansas district because there was a surplus of ore in the bins; and further, in 1908 Mr. Cockerill, himself, in a speech to the mine operators advised them to curtail production.

(9) He complains of not having sufficient ore in the United States and that the smelters are not able to run at full capacity, to which I would reply: If the smelting capacity is excessive that is an artificial condition created by the smelters themselves, and doubtless the attractive profits of the business induced this excessive multiplication of plants. It might be further observed that on January 1, 1908, there was a surplus of over 30,000 tons of spelter produced by these same smelters that Mr. Cockerill thinks were unable to run to their full capacity.

(10) Mr. Cockerill's opposition to a tariff on the importation of zinc ore is clearly revealed in his public statement that he made more money on Mexican ore than on United States ore, and, he might have added, a benefit he derived on account of cheap Mexican labor and a benefit that was at the cost of the American miner.

I desire next to call attention to some letters written by Mr. J. H. Lang, of Vogelstein & Co., a New York concern heavily interested in smelters and the importation of zinc ore, who have also filed a brief protesting against a tariff on zinc ore. The correspondence I refer to was addressed by Mr. Lang to Mr. Clay Gregory, secretary of the Commercial Club of Joplin, Mo. The first letter under date of July 15, 1908, reads as follows:

JOPLIN, MO., *July 15, 1909.*

Mr. CLAY GREGORY,
Secretary, Joplin Commercial Club, Joplin, Mo.

DEAR SIR: After talking with you to-day, it occurred to me that as all of the smelters, as well as the miners, are losing money and equally as anxious as anyone here could be to see an improvement in the condition of affairs brought about, something might be done in that direction through cooperation tactics without inflicting special hardship on any particular interest; that is, if you could arrange to have the production reduced to around 4,000 tons, it might suffice, with the help of the smelters, to bring about a higher price. Just as much spelter can be sold at 5 cents as can be sold at 4½ cents or 4¼ cents, where the price more nearly is to-day. The danger is that once spelter is put up to 5 cents, your people here will at once begin to enlarge their output. Could it be fixed so in the first place the production should be reduced and in the second place that it would stay there until the smelters reported a demand that called for an enlarged production?

I would like to have your ideas on this subject when I reach St. Louis, and hope to hear from you, care John Wahl Commission Company, at that point.

I saw Mr. Cockerill in Nevada, and I expect this evening to see Mr. E. V. Lanyon, of the Lanyon-Starr Company, at Pittsburg, Kans., and to-morrow Mr. George S. Page, of the United Zinc and Chemical Company, in Kansas City. In St. Louis I have an engagement to see Mr. Gatch, of the Granby Company, and next week the Matthiessen-Hegler Zinc Company, the Illinois Zinc Company, and Mr. E. N. Hurst, of the Grasselli Chemical Company, at Cleveland. So you see by the time I get through I will be pretty well posted as to the views and ideas of all of these men, and advised, possibly better than anyone else, just what could be done. If you can tell me anything I can say to them in the general interest it might be of help in accomplishing the object we all have so much at heart.

I can not wait to sign this letter, but it will be delivered to you by Mr. Bell.

Very truly, yours,

J. H. LANG.

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Mr. Bell is ore buyer for the American Zinc, Lead and Smelting Company.

In this letter you will notice that Mr. Lang's advice to the miner is to curtail the production, the same as was Mr. Cockerill's. You will also notice that Mr. Lang says as much spelter can be sold for 5 cents as for 4½ cents or 4¼ cents. This may throw some light on the statement made by Mr. Ingalls that the smelter made his profit whether spelter be high or low.

To this letter Mr. Gregory replied as follows:

JULY 16, 1908.

Mr. J. H. LANG,
St. Louis, Mo.

DEAR SIR: Your favor of the 15th was handed me by Mr. Bell. I am very much pleased you feel that our conversation was interesting enough to you to attract your attention.

I agree with you that just as much spelter could be sold at 5 cents as can be sold at 4½ or 4¼ cents, and also agree with you that if spelter were put up to 5 cents our district would increase its output. I feel there is a remedy, and that is this: If the smelters would stop importing Mexican ores I believe this district would curtail its production for a reasonable length of time, until the present stock of spelter would be used. It would, however, be useless to ask this district to curtail its production while Mexican ores are still being imported, because this district feels that on account of 100,000 tons of ore imported from Mexico last year you have 30,000 to 35,000 tons of spelter on hand. We feel that if no ore had been imported from Mexico there would be no surplus and that this district could be producing ore at a profit instead of, as it is now doing, at a loss.

When you stop to consider the fact that this Joplin district produces 60 per cent of the spelter produced in the United States it indicates that there should be and must be closer relationship between the producer and the smelter.

The committee that met yesterday at Webb City adjourned to meet to-night in Joplin. Therefore I can not give you any detailed information as to what the district is likely to do.

The output of this district for the first six months of 1907 averaged 6,077 tons of zinc per week. The output for the first six months of 1908 averaged 4,620 tons per week, a reduction of 25 per cent. It would not be hard to reduce this output to the figure you name—that is, 4,000 tons.

I take the stand that not over one-tenth of this country is being developed or mined, and that if the price of ore in this district was anything like what it ought to be it would be developed more rapidly, and the smelters would be able to take all the ore that they get from the United States.

Any time I can be of service to you please command me.

Yours, truly, CLAY GREGORY.

PLANTERS HOTEL,
St. Louis, Mo., July 17, 1908.

Mr. CLAY GREGORY,
Care Commercial Club of Joplin, Joplin, Mo.

DEAR SIR: Yours of the 16th received.

I am not very well posted on the subject of Mexican ores, but our people in New York are, and I will discuss the matter with them on my return and communicate with you again. Meanwhile, there doesn't seem to be any alternative but to allow the law of supply and demand to take its course, and effect such further closing of the mines at Joplin as will bring production and consumption into line again. Business will improve, but help from that quarter will necessarily be slow, and meanwhile, I expect things will be worse rather than better. However, I have met with considerable encouragement along the lines of arranging for some sort of cooperation between the smelters, through which a higher price will be obtained for spelter and a correspondingly better rate paid for ores, only if this is done, it must be under some agreement whereby production will be artificially curtailed until the country is able to absorb a larger output.

I hope to hear further from you at New York, and especially will be glad if you will send me a copy of the paper in which will be published the figures to which you referred.

Yours, truly, J. H. LANG.

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The burden of his letter, you will note, is to curtail the production. Certainly this does not look as though it was necessary to go to Mexico for their ore.

On July 28, 1908, Mr. Lang again addressed Mr. Gregory. His letter reads as follows:

NEW YORK, *July 28, 1908.*

Mr. OSCAR GREGORY,
Secretary Joplin Commercial Club, Joplin, Mo.

DEAR SIR: Since last writing you, July 17, I am in receipt of yours of 16th of that month, addressed to me at St. Louis, and of July 23, directed to New York. Please note, however, that my address is as above, and not care of American Metal Company, as you have it. Many thanks for the statistics inclosed, which are very interesting.

Imports of Mexican ores at the moment are quite a negligible proposition. They only amount to about 1,000 tons per week, the metal contents not being greatly larger than that much per month, and none is coming in except under guaranteed price of 5 cents per spelter, consequently the metal can go to that price in this country without increasing the imports beyond the present limited quantity. Should spelter go above 5 cents, naturally these imports will increase. An agreement not to buy them is quite out of the question. Should the smelters now operating make such an agreement, there are several idle plants and plenty of men and money to engage in the business once prices reach a profitable basis. The only way to handle this matter would be through a revision of the tariff.

Confidentially, I might say to you that a meeting of the smelters next month is practically assured. It occurs to me that what you should now do is to perfect your organization and appoint delegates to meet at the same time and place with a view to adopting a policy beneficial to the interests of all concerned. Doubtless the smelters would welcome such an opportunity to talk matters over and arrive at an understanding. Awaiting your further communication, I remain,

Yours, truly, J. H. LANG.

From which you will note that no ore was then being shipped in from Mexico "except under guaranteed price of 5 cents for spelter," corroborating the statement that has previously been made by the miners that the smelters were paying a higher base price for Mexican ore than they were paying the American miner, for on this very day, July 28, 1908, the Engineering and Mining Journal quoted spelter at 4.42½ to 4.47½. It seems to me, however, that the most conspicuous statement in Mr. Lang's letter, and one with which I most heartily agree, is that in which he says: "The only way to handle this matter would be through a revision of the tariff."

Vogelstein & Co., in their letter of November 12, 1908, addressed to the Hon. Sereno E. Payne, say:

As to the duties which shall be imposed, we are not interested other than to ask that the difference between labor costs in this country and abroad shall be protected by such margin between rates on raw materials and manufactured goods as will suffice for that purpose.

I desire to refer to the Grasselli Company's brief, who are opposing a tariff on zinc ore, but who offer no arguments not already answered, but who in 1897 addressed the Ways and Means Committee in the following langauge:

We desire to state that we are not opposed to the reasonable protection of any home industry; on the contrary, we believe in such protection to the extent that the same is necessary to equalize the difference between home labor and foreign labor.

Their present position is not altogether inconsistent, as they have not attempted to maintain in the briefs they submitted that there is not such a difference in the cost of producing zinc ores here and in Mexico as is claimed in briefs already submitted by the zinc operators of this district.

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The Grasselli Company is opposed to a duty on zinc ore because, like Mr. Cockerill, it can make more money on Mexican ore than on American ore, and disregard the former declaration made in 1897 and quoted above regarding the difference in the cost of home and foreign labor.

REPLYING TO THE SUBJECT OF LAND ROYALTIES.

Some of the smelters' briefs that have been filed have attempted to show that the royalties in this district are too high. This matter I want to speak of very briefly and to show that the royalties are reasonable. Mr. Maury, in his brief, has already shov n in the cost of ten of the large producing mines of the district that the royalties averaged 12⅛ per cent. This is not excessive. Some first-lease companies do the pumping and so assist in the mining, and rightly charge a larger per cent royalty than those mines pay that do the pumping themselves. Most of the royalties in this district now being paid are from 10 per cent to 15 per cent unless it is as stated above some special arrangement exists whereby the expense of mining is shared by the land owner or the first lessee.

In this connection I may add the American Zinc, Lead, and Smelting Company, in which, I am informed, the Vogelsteins are largely interested, pay no royalty. That is, they own the fee simple. In addition to owning several of the largest mines and the fees on which these mines are located, they also own several large smelters. Few companies can afford to do this, and few can command enough capital to purchase the fee simple, to operate mines, and to build and operate smelters.

NO ZINC ORE TRUST EXISTS.

Whenever this district becomes detached from the present system and is owned by a few large companies who can control the zinc from the fee simple until it is manufactured into spelter, then will come the opportunity for the formation of a trust in the zinc business. But so long as conditions are as at present, when the poorest man working for wages can take a part of his earnings and, along with some of his colaborers, lease a piece of land from the landowner and have it drilled or prospected for ore, so long then will the poor man have the opportunity that this district has always given the man of little or moderate means of becoming a mine operator.

PRESENT SYSTEM OF ROYALTIES A BENEFIT TO THE POOR MAN AND TO THE OPERATOR OF SMALL MEANS.

The system of leasing and paying royalties such as is in vogue in this district is a distinct benefit to the man of moderate means, and the Missouri-Kansas district has many men to-day who are operating mines that at one time worked for wages in the mines, and their position as mine operator they gained by the method outlined above, so that the system of royalties, existing as it does, is and has been a distinct benefit in helping many energetic men from laborer to operator and in developing the ore bodies of this district.

Bear this in mind also, that the landowner, when he leases his ground for mining purposes, is exhausting his principal. By that I

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mean the ore taken out is a part of the value of that land, and, furthermore, when the ore is exhausted and mining purposes are discontinued, the land often has little or no practical value, for it is covered with rocks, bowlders, tailings, and other mining refuse, punctured with shafts, and often undermined to the extent that it caves from the surface, leaving on his hands real estate of little actual value for any agricultural or other purpose. Then we say, Should he not under these conditions receive a rental or royalty commensurate with the value of the property?

Now I come back to the starting point. The American miner wants a tariff of 1½ cents per pound on the metallic zinc contents of all zinc ores imported into the United States, so that the total cost of the foreign ore will equal the cost of the American ore to the American miner. The question very aptly arises, what is the principal cost of producing zinc ore in the United States, and especially in the Missouri-Kansas district? I want to answer, it is labor.

LABOR IS OVER HALF THE COST IN PRODUCING ZINC ORE IN THE MISSOURI-KANSAS DISTRICT.

It has been shown by briefs already submitted that the American miner gets wages far in excess of the Mexican miner. We do not want to reduce these wages; we want to maintain them. A zinc and lead mining and milling company which is under my management is a fair average of a hard-ground mine of southwest Missouri. It has a monthly expenditure of about $9,000. The cost for labor alone is from $4,700 to $5,000 per month, or something over 50 per cent of the entire cost. Now, when I say "entire cost" I mean everything—labor, fuel, explosives, supplies, etc. The item of labor expense referred to above does not include the expense of superintendent and of my office, so that the labor expense referred to is that shown by the weekly pay rolls. Then I have answered the question I asked above, and I answer it again: The main cost of producing zinc in the Missouri-Kansas district is for labor, and the main person to be benefited by a tariff on zinc ore imported from Mexico or anywhere else would be the American laborer.

THE AMERICAN MINER IS IN COMPETITION WITH PEON LABOR OF MEXICO, AND THE LABORING MEN OF THE MISSOURI-KANSAS DISTRICT WANT A PROTECTIVE TARIFF ON ZINC ORE.

My information now is that briefs have been submitted by 7 zinc-smelting companies opposing a tariff on zinc ore. None of them question our showing of the difference in cost of producing zinc ore in Mexico and the United States. Opposed to these 7 briefs I want to point out to you that a petition to Congress is now being signed by the miners of this district, and that over 7,000 miners of the Missouri-Kansas district have already signed it, in which they ask Congress for an adequate tariff on zinc ore, in the following language:

TO THE HONORABLE MEMBERS OF CONGRESS OF THE UNITED STATES OF AMERICA:

The subscribers hereto, being citizens, miners, and employees in the Missouri-Kansas lead and zinc mining district, respectfully petition your honorable body to

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include in the new tariff bill to be considered by the Sixty-first Congress of the United States a duty of 1½ cents per pound upon the metallic contents of all zinc ores imported into the United States. In so petitioning we believe and state that such duty represents the difference in the cost of producing ore in this district and the cost of production abroad, and that the labor cost in this district represents over half the production cost of ore.

MANY SMELTERS RECENTLY BUILT IN GAS FIELDS RISKING SHORT LIFE WITH EXPECTATION OF REAPING QUICK AND LARGE PROFITS—SMELTING CAPACITY.

Something has been said in the briefs filed by the smelters regarding their smelting capacity, and as related to the amount of ore produced. Certainly the smelting capacity, which is now excessive, is an artificial condition that the smelters themselves created. The large profits in the smelting business induced the smelters to multiply their plants. Applying to this subject, I desire to quote the following from Mr. Ingalls in the Engineering and Mining Journal of January 4, 1908:

"A smeltery in the natural-gas field has the great attraction that its cost per ton of capacity is much less than that of a modern smeltery to use coal as fuel. The development of the industry in the United States is taking place precisely on the line that I predicted several years ago, namely, there is the installation of new plants at new points in the gas fields where the builders are willing to risk short life with the expectation of reaping quick and large profits."

EXCESSIVE SMELTING CAPACITY DUE TO RECENT LARGE INCREASE IN BUILDING OF ZINC SMELTERS.

Statistics published in the same journal of June 13, 1908, are particularly applicable to the subject of excessive smelting capacity.

In 1907 there was a large increase in the zinc-smelting capacity of the United States. The National Zinc Company, Bartlesville Zinc Company, and Lanyon-Starr Smelting Company each completed new works at Bartlesville, Okla. The American Zinc, Lead, and Smelting Company completed a new plant at Deering, Kans. The United Zinc and Chemical Company completed a small plant at Springfield, Ill. Several of the works above mentioned did not begin operation until December, wherefore they had no material effect upon the production of 1907. The works of Hegeler Brothers, at Danville, Ill., were completed in 1907, but did not go into operation.

Among the older works there were also many increases in capacity in 1907. At Palmerton, Pa., the New Jersey Zinc Company added 1 furnace with 200 retorts. The Granby Mining and Smelting Company added 1 new furnace with 620 retorts to its works at Neodesha, Kans. The Grasselli Chemical Company added a new furnace with 576 retorts to its works at Clarksburg, W. Va. The Cockerill Zinc Company added a new furnace with 740 retorts to its works at Altoona, Kans.

Certainly the smelters will not question the authority quoted and that an excessive smelting capacity exists is evident, an excess that the smelters are anxious to supply by importing Mexican and other ores. What the American miner wants is to have the Mexican ore put in fair competition with United States ore. At present it is not competition. The Mexican miner underbids the American miner and is enabled to do so by his cheap labor and other conditions already described.

PEON LABOR AS COMPARED TO AMERICAN LABOR.

The miners thought when they saw these new smelters being built that it meant more competition for ore and higher prices, but the

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cleverness of the smelter man came to the rescue of that artificial condition by importing ore from Mexico. We stand but little chance of getting any benefit from improved business conditions so long as we are menaced by the importations of zinc ore from Mexico—ore that is mined by peon labor at a cost less than half the cost for the same labor in the United States. Then what is the remedy? It is just as Mr. Lang, of Vogelstein & Co., said in his letter: "The only way to handle this matter would be through a revision of the tariff." The question might aptly be asked why have we not had a tariff before? The reply is very simple. Importations commenced only about four years ago and during that time no tariff law has been enacted. This is our first opportunity to ask Congress to give us adequate protection.

COURT DECISIONS.

The duty of $3.20 (20 per cent ad valorem), which Mr. Cockerill mentions, was payable by reason of a ruling of the Treasury Department. A case involving the legality of this ruling and before the United States circuit court of appeals of New Orleans has recently ruled that no kind of zinc ore is dutiable under any paragraph of the Dingley law. Hence the court decisions are against the ruling of the Treasury Department and against the producers of zinc ore in the United States so that at the present time there is no law on our statute books giving any protection to the zinc-mining industry. Since this decision was given ore has declined $6 per ton and wages in this district have been cut 10 per cent in consequence of the decline in ore prices.

Mr. Edgar, whose brief for the Edgar Zinc Company was printed in the St. Louis Republic on Monday, January 25, 1909, states, as others have done, that the United States can not produce enough zinc ore. On the very same page of the same paper that printed Mr. Edgar's brief in large headlines occurs the following: "Zinc prices in slump. Buyers overwhelmed by surplus stock of last week." And the statement that there is a slump in prices and that buyers are overwhelmed by surplus stock of last week is true.

Answering Mr. Edgar and others once and for all regarding the production of sufficient zinc ore in the United States, the following must be the correct reply: The United States has been able to produce enough zinc ore, and the mines of the Missouri-Kansas district have almost every year for the past ten years created a surplus, and for a time each year would have to close down to sell that surplus. What is more, the mines of this district do not run to the best economic advantage, as they do not run double shift as practically all other mining districts do.

ENOUGH ZINC MINES HAVE BEEN CLOSED DOWN IN MISSOURI AND KANSAS THE PAST YEAR TO PRODUCE ALL OF THE ORE THAT HAS BEEN IMPORTED FROM MEXICO THE PAST FOUR YEARS.

To run double shift would greatly increase our output. It would call for more men in this district, but that, I believe, would be a benefit readily supplied. Some of the smelters have said that to close a smelter because they could not get enough ore meant throwing some of their men out of employment, but they omitted to say that for

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every man the smelters employ the zinc mines employ 10, and when ore is imported from Mexico hundreds of miners in this district are put out of employment on account of the mines being compelled to close down because they could not compete with Mexican importations. This district is strictly an American district. No foreign or imported labor has ever been employed here. This can not be said of the smelters, who, in one instance at least, imported Mexican laborers. I refer to a smelter in Kansas, where it is well known the American laborers and the Mexican laborers could not agree to work together.

Mr. Edgar says: "It seems to me, Mr. Hill, very wrong to tax not only the smelters but also the consumers of spelter." Mr. Edgar is very anxious that the price of spelter for the consumer should not be advanced. He should also explain that 80 per cent of the stock in the Edgar Zinc Company is owned by the United States Steel Company, and that this big corporation uses all of the spelter manufactured by the Edgar Zinc Company, and it would naturally follow that if they do not manufacture all the spelter they need that they would like to buy their spelter as cheaply as possible.

Now, concluding with the subject of producing enough zinc ore in the United States: The tariff we are asking for is not prohibitive; it is protective. So that if the smelters do need more ore than the United States zinc mines can supply they can still purchase it by paying a tariff to the United States Government, which the buyers in turn, to follow the custom they have been pursuing, deduct from the Mexican miner. So, then, we have this condition: The zinc miner shows that he has produced enough ore and asserts that with a protective tariff he can continue to do so. But if he does or if he does not the American miner in the zinc mines of the United States and the United States Government are the beneficiaries.

NEW ZINC ORE DISTRICTS IN THE UNITED STATES.

The last few years have seen radical changes in the method of zinc mining in the Missouri-Kansas district. Large deposits have been discovered at greater depths and new areas have been opened, not only in the Missouri-Kansas district, but in other sections of the United States. Arkansas, Oklahoma, Colorado, Wisconsin, Idaho, and Arizona have all increased their production and extended their zinc ore producing areas, and with the encouragement of a tariff on zinc ore these districts will still further increase their production. The benefit of the extension of this industry and the money expended in the increased production of zinc ore will be, if the industry is protected, for the benefit of the American miner and of communities in the United States.

THE FINAL ANALYSIS OF THIS QUESTION.

But whatever conclusion may be arrived at in balancing the self-interests of smelters and miners, there is one consideration greater than either of these, namely, the right and the wrong of it all. From the ethical point of view it is infinitely more important for you to conserve to our children and to our descendants the advancing civilization, with its cities, schools, churches, industries, and all that makes

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for culture and good citizenship, which the people here from all walks and conditions in life have come together and built out of the product of the zinc mines of Kansas and Missouri, than to admit Mexican zinc ore duty free, and so permit the smelter men to cheapen ore prices. And who would be benefited by this reduction? Not the nomadic peons of Mexico, and certainly not the consumers of spelter. For whose special benefit then would this growing civilization be wrecked? This is the ethical question upon which, in the final analysis, all citizenship and your statesmanship will be judged.

ZINC MINING AN IMPORTANT BRANCH OF ONE OF THE THREE GREATEST INDUSTRIES.

Every pound of zinc ore mined and milled increases just that much the world's wealth. I am sure it is not a new thought to the honorable gentlemen of the Ways and Means Committee that mining is one of the three fundamental sources of new wealth.

Agriculture with forestry and stock raising is one.

The fisheries and kindred occupations is the second.

And mining, including the discovery and recovery of all the products from within the earth, is the third.

The products coming from those three great occupations yield to man the vast opportunities to exercise his brain and muscle in working over these products and making them contribute to the welfare and comfort of mankind. Certainly the production of zinc is an important branch of the great occupation of mining, and we believe it is deserving the recognition of a protective tariff.

THE TARIFF NEEDED TO EQUALIZE COST OF PRODUCTION IN UNITED STATES AND MEXICO.

We very earnestly ask you to give us a tariff of 1½ cents per pound on the metallic zinc contents contained in all kinds of ores imported into the United States, in order that we may successfully compete with the mines of Mexico and in order that we may pay the American miner American wages.

Respectfully submitted.

CHARLES T. ORR, *Webb City, Mo.*

(Chairman of the Zinc Ore Tariff Club of the Missouri-Kansas zinc and lead mining district.)

B. M. ROBINSON, JOPLIN, MO., AND W. R. CAULKINS, CARTHAGE, MO., SUBMIT BRIEF ASKING A DUTY ON ZINC ORES.

WASHINGTON, D. C., *February 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: A crisis has arisen in the zinc-mining business within the last three weeks. The price of zinc ore has dropped $7 per ton since the decision of the United States court of appeals at New

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Orleans, January 19, 1909, to the effect that there is no duty on zinc ore of any kind under the present law. This decision has had the effect of closing down the zinc mines of the Joplin district, throwing thousands of men out of employment, and paralyzing business. Tariff on zinc ore means life or death to the zinc mines of the United States.

The courts of the United States have decided that in the making of a will if a child is not mentioned it is to be presumed that child was forgotten.

In making the Dingley bill, "zinc ore" was not mentioned, and it is to be presumed it was forgotten.

When the Dingley bill was made no zinc ore had ever been imported into the United States.

When the Dingley bill was made calamine was known only for its chemical uses, and not as a zinc ore.

In 1905 it was discovered that carbonate and silicates of zinc (zinc ore) had been called calamine many years ago, and that calamine was on the free list. This discovery is plainly shown by reference to your book of statistics, compiled by Mr. Evans, which shows the increase of imports of calamine when the smelters discovered Mexican zinc ore could be imported free of duty by calling it "calamine."

Year—	Value of all imports.
1894	$24.00
1895	11.00
1899	50.00
1901	28.00
1902	41.00
1903	63.00
1904	378.00
1905	9,264.00
1906	703,741.10
1907	784,303.20

The principal zinc ore in the United States from which spelter is made is sulphide ore.

The difference between these three technical names for zinc ore is simply this: Of sulphide ore, 67 per cent is metallic zinc; of silicate ore, 54.3 per cent is metallic zinc; of carbonate ore, 52 per cent is metallic zinc.

Silicate ores and carbonate ores are now being imported as "calamine."

Sulphide ore is now being imported from Mexico as "zinc ore."

The Government to-day is receiving no revenue whatever from zinc ore—sulphide, carbonate, silicate, or calamine.

The Government is receiving 1½ cents per pound on the spelter or pig zinc imported, and the duty we are asking will in no way affect this revenue, unless it is to increase it.

The duty we are asking will in no way affect the price of spelter to the consumer. Since the price of ore has dropped $7 in the Joplin district, a decrease of 20 per cent, the price of spelter has decreased less than 5 per cent.

The average revenue to the Government the last ten years on spelter has been $23,152.40 per year (reference, Imports and Duties, p. 917; advance sheets Geological Survey, p. 20); and as there is no duty whatever on any kind of zinc ore (as determined by the decision of the United States court of appeals at New Orleans, January 19,

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1909), $23,152.40 is the average yearly duty received by the Government on the entire zinc business for the last ten years. While your reference books show $68,693.98 duty was collected in 1907, this duty was paid under protest, and the recent decision of the United States court of appeals, January 19, 1909, returns this amount to the smelters.

So far as we are able to discover, no protest to the placing of a duty on zinc has yet been filed by any consumer of spelter.

In 1907, 66 per cent of the spelter of the United States was used for galvanizing, 17.75 per cent was used in brass making, and 13.25 per cent was used in sheet-zinc making; and yet these consumers of 97 per cent of all the spelter have not filed one single protest to a duty on zinc ore.

The protests filed are by L. Vogelstein & Co., of New York, who, with their associates, control the spelter market of the United States; by A. B. Cockerill, who testifies to owning six smelting plants; and by the Edgar Zinc Company and the New Jersey Zinc Company. These protests have been concurred in by other smelting companies.

With the experience of the first-named firm we are unfamiliar, but Messrs. Cockerill and Edgar have accumulated considerable fortunes from small investments within the last several years from the smelting of the Joplin zinc ores, and have never had the advantage of buying cheap Mexican ores until within the last two or three years.

On December 1, 1908, the New Jersey Zinc Company appeals to you not to protect zinc ore—what they buy—and on December 16, 1908, appeals for 1½ cents duty on zinc dust—what they sell.

Zinc dust is their finished product.

Zinc ore is our finished product.

We have never known of the failure or financial embarrassment of a zinc-smelting concern, and Mathieson & Hegeler, who started with very small capital and have never smelted anything but Joplin ores, except a small amount of ore from the Wisconsin district, are now rated to be worth $10,000,000. Other smelting concerns have made proportionate profits.

On the other hand, the money made in zinc mining is in small amounts by hundreds of individual operators.

Taking the year 1907 as a fair year to all concerned and Mr. W. R. Ingalls, to whom the smelter men continually refer, as an authority, the smelters averaged to receive $14.84 for the metal contained in a ton of Joplin ore over and above what they paid the miner for that ton of ore. In Belgium the smelting charge for zinc ore averages about $10 per ton, and they do not there have the advantage of natural gas, so it would seem the zinc smelter in the United States had a comfortable margin. (Reference, W. R. Ingalls in Engineering and Mining Journal.)

There are 20 laborers engaged in the mining of zinc ore in the United States to 1 engaged as a laborer in smelting that ore. There are between 18,000 and 20,000 men engaged as laborers in zinc mining in Missouri, Kansas, Oklahoma, and Arkansas, every one of them an American. They have no labor union, yet they work but eight hours a day and average to earn from $2.75 to $3 a day each. Many of them own their homes. Many of them are skilled laborers, operating power drills, hoisting engines, air compressors, and other machinery, and handling large quantities of

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dynamite, where their own lives and the lives of their associates are constantly in jeopardy.

The statement that Mexican ore is needed as a flux in smelting Joplin ores is absolutely false. Joplin ores have been successfully smelted for forty years without a pound of Mexican ores. The statement that Joplin ores are needed to smelt Mexican ores is equally false.

Conflicting statements have been offered to your committee as to the cost of producing zinc ore in Mexico, and they are bound to be conflicting because of the different conditions under which zinc ore is produced. The cost of such ores can be obtained from the sworn value at the port of entry of the ores imported.

The sworn average value of all zinc ores imported in 1907 was $13.14 per short ton.

(Tonnages given in your reference books are long tons.)

The sworn average value of all zinc ores imported in 1908 was $10.89 per short ton.

As some of this ore came from British Columbia and was valued above $10.89 per ton, the Mexican ore must have been worth less than that amount per ton. But figuring this ore at its sworn value at the border and the duty we are asking at $12 per ton (on 40 per cent ore) it would cost the smelter man $22.89 per ton at the border. Enough of this ore to equal a ton of Joplin ore would cost them $34.33, while the average cost of mining zinc in the Joplin district is $37.78 per ton.

Therefore if the contention that we can not produce sufficient ore for spelter requirements should ever become true, the smelters could get their additional requirements from Mexico at no more cost than for the ore here, and the Government would be receiving a large revenue. The smelters have filed a brief in which they say it will be necessary to import 150,000 tons of ore in 1909 to supply the demand for spelter in the United States. If this is true, why should not the smelters contribute to the revenue of this Government by paying a duty on this ore, when they are protected with a duty on spelter? The fact that they could, with 1½ cent duty imposed, still buy enough Mexican ore to equal a ton of Joplin ore for $34.33 would also prevent the Joplin producer from demanding an exorbitant price for his ore.

We have shown that Mexican ore is worth $10.89 per ton at the port of entry. This must include cost of production and miner's profit, as thousands of tons are being imported at this value while most of the Joplin mines are shut down.

The actual average cost of producing zinc ore in the Joplln district is $37.78 per ton, of which $17.02 is labor, as against $3 per ton to labor in producing Mexican ore.

There are over 600 mines in the Joplin district employing from 4 men in small mines to 475 in the largest mine, and unless your committee provides for the difference in the cost of labor in Mexico and in the United States, the unavoidable result will be to deprive thousands of American laborers of a means of livelihood as well as to bankrupt commercial interests which run into millions of dollars, and this loss will extend to every part of the United States.

We believe that we are broad enough not to ask you to protect what we sell, and put on the free list what we buy. We ask you to

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give zinc ore the same protection you give spelter and no more. If you leave spelter with a duty of 1½ cents per pound, we ask for 1½ cents per pound on the zinc contents of zinc ore, and we believe 1½ cents per pound duty is necessary for the protection of both industries.

Total production of ore in the Joplin district.

Prior to 1879	$10,761,463
1879 to 1889	20,121,862
1889 to 1899	48,837,076
1899 to 1909	101,268,000
Total to date	180,993,401

Production of Joplin district last eight years.

1900	$7,986,628
1901	7,929,230
1902	9,318,418
1903	9,381,150
1904	11,695,973
1905	13,531,655
1906	15,128,175
1907	15,419,927
1908	11,063,707

Respectfully submitted.

B. M. ROBINSON, *Joplin, Mo.*
W. R. CAULKINS, *Carthage, Mo.*

DAVID D. HOAG, JOPLIN, MO., STATES THAT THE SHUTTING DOWN OF MISSOURI ZINC MINES HAS SERIOUSLY AFFECTED OTHER LINES OF INDUSTRY.

WASHINGTON, D. C., *February 20, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: The writer is the vice-president of the Consolidated Light and Power Company, of Joplin, Mo., which company serves the people of that and adjoining cities with light and power.

In October last our company contracted with Henry L. Doherty & Co., of 60 Wall street, New York, to spend $6,000,000 in increasing the lighting and power of that district, and with a special view of furnishing cheap power to the mines in southwest Missouri, southeast Kansas, and northeast Oklahoma.

A careful examination was made by expert engineers and it was found that there is more than one hundred thousand horsepower in use in the territory named.

The first unit of our new plant, viz, the gas engines from Salem, Ohio, and electric generators from Schenectady, N. Y., are completed and are now being tested and will be ready for shipment March 1.

About three weeks ago our attention was called to a decision of the court of appeals at New Orleans admitting zinc ore free of duty, which has had the effect of closing down many of the mines in our district.

If this condition continues we shall not be able to find a market for this surplus power, as there are no other considerable manufacturing industries in the territory herein named.

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In New York engineers have made an exhaustive study of the Joplin zinc district and we have accurate information in regard to the zinc industry in that district.

If the figures that we have compiled and the data we have secured will be of any service to your committee, we will be glad to furnish it to you. This information can be had either from Henry L. Doherty & Co., 60 Wall street, New York City, or from the writer at Joplin, Mo.

Respectfully submitted.

DAVID D. HOAG, *Joplin, Mo.*

ANCIENT ARMS AND ARMOR.

[Paragraph 193.]

BASHFORD DEAN, OF THE METROPOLITAN MUSEUM OF ART, NEW YORK CITY, WISHES ANCIENT ARMS AND ARMOR ADMITTED FREE OF DUTY.

MARCH 8, 1909.

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Congress of the United States.

MY DEAR SIR: May I beg you to inform me whether in the process of revising the tariff schedule it would be practicable to consider the reduction of duty upon ancient arms and armor? Numerous inquiries have come to me from collectors, and I would be glad to know if a signed petition in this matter would aid to this end? And, in case you deem it advisable, whether a few minutes (say five minutes, or less) could be spared me in committee in which to present the case?

Your petitioners would maintain:

1. That ancient arms (interpreted to include firearms antedating 1815) do not concern the protection of American fabricants.
2. That their study fosters American arts and crafts, inasmuch as it stimulates and suggests improvements and inventions in American products, and to this degree, in the improvement of arms, strengthens our national defense.
3. That it is a fact that all private collections known to your petitioners are open (upon request) to the inquiring student.
4. That the present duty (45 per cent ad valorem) retards and even prevents this study—tending to keep models of good workmanship out of the country.
5. That, therefore, it is urged that the duty upon such objects (ancient arms and armor) be either abolished or at least materially reduced.

If your honorable committee regards the former alternative nonconsistent with the plan of a revenue tariff, may the suggestion be made that these objects or collections of these objects (not for sale) be admitted at such a rate, for example, as $100 per ton? Believe me,

Very respectfully,

BASHFORD DEAN,
Curator, Department of Arms and Armor,
Metropolitan Museum of Art.

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COPPER GOODS.

[Paragraph 193.]

THE VULCAN COPPER WORKS COMPANY, CINCINNATI, OHIO, THINKS THAT THE PRESENT DUTY ON MANUFACTURES OF COPPER SHOULD BE RETAINED.

CINCINNATI, OHIO, *January 22, 1909.*

CHAIRMAN, WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: It has occurred to us that your committee may possibly advocate removing or modifying the tariff on our line of products. We most earnestly request that this should not be done, for the reason that our business will be greatly harmed if any modification should be decided upon. Our products are manufactured entirely by hand labor, for which we are obliged to pay $3.50 per day. The foreign manufacturer pays a maximum of $1 per day for this same class of labor. The cost of the raw material abroad is but a trifle more than it is here, and can not be considered as an offsetting factor.

In view of these facts, it is obvious that if the present tariff on copper goods is modified or removed it will mean the invasion of this country by the foreign manufacturer, under which conditions it will be absolutely impossible for us to compete.

Our products are all sold to large corporate interests who can easily afford to pay the higher prices which the American manufacturer is compelled to ask because of the greater labor cost to which he is subjected.

We earnestly request that your committee take these facts under consideration, and allow the tariff on manufactured copper goods to remain as it is at present.

Yours, very truly,

THE VULCAN COPPER WORKS CO.,
H. O. WENTE, *President.*

MOTORCYCLES.

[Paragraph 193.]

THE OVINGTON MOTOR COMPANY, NEW YORK, THINKS THERE SHOULD BE A REDUCTION OF DUTY ON MOTORCYCLES.

2234 BROADWAY, NEW YORK, *February 24, 1909.*

Hon. E. J. HILL, M. C., *Washington, D. C.*

DEAR SIR: As I happen to be an importer of motorcycles and as the possible lowering of the duty on this product is of great interest to me, I should like to say a few words on this subject.

The machine I import sells for $350 and with one exception it is the most expensive machine which one can buy in America. The average motorcycle sells for $175 up to $250. A few specially constructed machines go higher than this. There are only two makes of motorcycles imported into the United States, namely, our own F. N. and the N. F. U. The duty is so abnormally high on

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this class of goods that only motorcycles of a very special construction can be brought into the United States and compete with the American products.

It is unnecessary for me to remind you that a duty is placed upon imported goods as a protection to American labor. The duty should not be so high, however, as to afford American labor a monopoly and that is what it is doing in the motorcycle business. The American automobile is slowly driving the foreign product out of the country, but in the case of the motorcycle, the American manufacturer is manufacturing so cheaply and is taking advantage of the work done in the automobile field that a foreign machine never has been able to get very much of a foothold in this country.

As a patriotic American citizen, I do not advise the withdrawal of the duty entirely on motorcycles, but I believe a duty of 20 or, at the most, 25 per cent would be more than sufficient to protect the American workmen.

I trust that you will give the above facts due consideration, for which I thank you in advance,

Very truly, yours,

EARLE L. OVINGTON,
Ovington Motor Company.

NICKELED GOODS.

[Paragraph 193.]

HON. GEORGE P. LAWRENCE, M. C., FILES BRIEF OF THE GOODELL-PRATT COMPANY, GREENFIELD, MASS., RELATIVE TO NICKEL-PLATED ARTICLES AND FOREIGN TARIFFS.

WASHINGTON, D. C., *January 25, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

MY DEAR SIR: I invite the attention of the Ways and Means Committee to the inclosed letter from William M. Pratt, treasurer of the Goodell-Pratt Company, of Greenfield, Mass., proposing a provision to be included in the forthcoming tariff bill fixing a rate of duty on nickel-plated articles coming from foreign countries high enough to meet the rates established by such countries on nickel-plated articles from manufacturers in the United States.

Very respectfully, yours,

GEO. P. LAWRENCE.

GOODELL-PRATT COMPANY,
Greenfield, Mass., January 22, 1909.

Hon. GEORGE P. LAWRENCE,
House of Representatives, Washington, D. C.

DEAR SIR: It occurs to me, in connection with the new tariff bill, which you read so much about and know so little about, that if we are really to have a maximum and minimum tariff there is one particular feature that should be inculcated into it. This matter I am

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going to bring to your attention for such consideration as you think it deserves. It refers particularly to articles manufactured from metal.

Several European countries, France and Germany in particular, charge a very much higher duty upon articles that are nickel plated than they do upon the same articles when finished plain, without nickel plating (or, to be exact and specific, with an infinitesimal amount of nickel plating on them.)

On the face of it, this didn't appear to amount to much. In reality, it amounts to a great deal, for no importer in either of the countries above mentioned will take an article that has any nickel plate on it. The small fraction allowed is ignored completely because the foreign buyer says if there is any nickel plating on the tool at all it gives a chance for argument on the part of the appraiser. Disagreements continually arise that are not only annoying, but expensive. Therefore they must have their goods without any nickel plating on them. As a result, we are not able to give them as well-finished an article or as attractive an article as would otherwise be possible, and we are at a greater disadvantage when coming in contact with the French and German competition in their home markets.

Furthermore, an article not nickel plated tarnishes and rusts more quickly and will not look as well after use; therefore we are unable to give to the consumers and users of those goods as great value as we would like to give them and as we could give them were it not for this particular provision which works so decidedly against us.

Now, why can't we have in our tariff bill a provision charging a higher duty on nickel-plated articles than is charged on articles that have no nickel plate upon them when such articles emanate from countries imposing a similar discrimination upon products of the United States?

This should be a point admittedly well taken by both sides. We can see no possible objection to it from the standpoint of either high or low tariff, and if it is possible and practical to embody in the forthcoming tariff bill a provision of this character its value along reciprocal lines will be very great.

I thank you for the courtesy of giving consideration to this matter, and beg to remain,

Yours, faithfully, WM. M. PRATT.

SURGICAL INSTRUMENTS.

[Paragraph 193.]

SEABURY & JOHNSON, NEW YORK CITY, PROTEST AGAINST THE DUTY-FREE ADMISSION OF SURGICAL APPLIANCES.

59–61 MAIDEN LANE,
New York City, February 4, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are manufacturers of medicinal and surgical apparatus and preparations supplying our wares to hospitals who consume a very large percentage of the output of our factory, to sur-

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geons, physicians, and afflicted people, to the medical and surgical departments of the United States Army, Navy, and Marine-Hospital Service, etc.

This trade with the hospitals is a valuable one and its loss through a successful competition by foreign goods admitted duty free, would very seriously affect this industry which has taken many years of exploitation to build up.

We prepare for and sell to these interests millions of yards of aseptic and antiseptic gauze, vast quantities of absorbent cotton and medicated cottons, splints, and other dressings and appliances used in hospitals and medical and surgical practice.

We beg leave, respectfully, to protest against the petition addressed to your honorable body asking that medical and surgical apparatus, appliances, utensils, instruments, and preparations imported by or for hospitals and other institutions shall be admitted to the United States free of duty.

We also respectfully protest against any reduction in the duty existing in the present tariff law, our protests being based as follows:

The rate at which these goods are sold by us to hospitals and similar institutions returns only an exceedingly small profit, as the competition amongst the various American manufacturers is very keen and prices to hospitals are made with the knowledge that considerable of their work is done on a philanthropic basis, which therefore demands the closest possible prices.

Such goods admitted free of duty to the United States would probably most largely come from England, Germany, and Austria, where labor is but 40 to 50 per cent of the American wages, and the cost of materials as a rule much less than here. Were these foreign goods to enter duty free, the trade of the various American manufacturers with these hospitals would be substantially wiped out, as the American manufacturers could not compete against the lower foreign cost of production, and a reduction in wage scale to the foreign level would be impractical.

The greater number of hospitals throughout the country are private or semiprivate institutions, charging fees for treatment given, though some of these have departments wherein free treatment is accorded. A minor number give treatment without pay, but this latter class usually are municipal or state institutions, supported by city or State from funds derived from the American taxpayer. The foreigner contributes nothing thereto.

It would be impossible to separate hospital supplies used for patients who pay for treatment from hospital supplies used in the same institutions for charity patients. Any such attempt would be open and prone to gross abuse.

Many physicians and surgeons obtain their medical and surgical supplies for use in their private practice from hospitals with which they are connected, securing supplies at the low prices made to hospitals, and should foreign goods for hospital use secure entry free of duty further serious effects to the American industry would result through the practice here mentioned.

Many millions of dollars are invested in the United States in various American factories devoted to the preparation of medical and surgical apparatus, utensils, instruments, and preparations, including our own, and these have been built up by these large

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investments supplemented by the devotion to scientific study and the use of expert knowledge, mechanical and chemical skill—by specializing in these lines, so to speak, to the end that we and they should attain the highest development in the art of preparing these medical and surgical supplies. The importance of these home industries is appreciated by the professional and lay people throughout the land; their importance to the municipal, state, and federal governments in times of peace as well as in times of war should not be underestimated.

Apart from the absolute necessity that the duty on this class of goods shall be maintained in order that such American industries shall continue to live, we further protest against favoritism to the foreign interests of free entry, which foreign interests neither pay our taxes in times of peace nor fight our battles in times of war.

The amendments sought introduce the terms "apparatus, appliances, and preparations," which can be interpreted to include all the medical and surgical manufactures heretofore mentioned.

We would, however, offer no objections to such amendment of paragraph 638 of the present tariff law as would permit the entry free of duty of philosophical and scientific apparatus, utensils, instruments, and preparations not made in this country, for hospitals devoted to giving treatment free to those patients unable to pay therefor.

Respectfully submitted.

SEABURY & JOHNSON,
S. C. LEWIS, *Secretary.*

BRIEF PRESENTED BY THE AMERICAN SURGICAL TRADE ASSOCIATION PROTESTING AGAINST REMOVAL OF DUTY FROM SURGICAL INSTRUMENTS.

DETROIT, MICH., *February 9, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This association has been in existence eight years and has for its aims improving the quality, maintaining a uniformity of surgical instruments, reforming abuses, correcting quality and designs and standardizing the same, and generally advancing the interest of the trade in surgical instruments and physicians' supplies in the United States. More advancement has been made since this organization was started than ever before in the same period.

Therefore, as an association we most respectfully protest against the proposed amendment to paragraph 638 of the present tariff law.

First. Members of this association employ many thousands in the manufacture of surgical instruments, appliances, and preparations as outlined in the amendment, and we feel certain by bringing this matter before your honorable body you will see our rights and not throw all the people engaged in this line of trade out of business.

Second. We have found it difficult to advance this business in competition with the foreign market. We can not compete in wages, as they are more than double in this country what is paid for like work in Europe; and the adoption of this amendment would practically

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annihilate our industry, together with the effort that is being made in this country to create and market the advanced ideas of the medical profession; and while we are engaged in earning an honorable livelihood, there is no other industry that can boast more than we can, as all our manufactured products are for the relief of suffering humanity.

Third. They are largely used by hospitals, surgeons, physicians, and the public, and many of our products, such as dressings, are prepared on a larger scale in this country than anywhere else in the world, and have attained the highest perfection in the United States. Therefore, we can only look upon this amendment as a discrimination, wholly unfair, for a class such as is represented by hospitals to expect favors in the way of professional duties, as against the American manufacturer and dealer, who expends his time and contributes his capital to be able at all times to supply the immediate wants of the hospital and surgeon.

Fourth. Should your honorable body recommend the entry of goods duty free, according to the elastic terms used by the hospital association, it would compel every manufacturer, every dealer, to change his avocation, and it would stimulate this industry in other countries, principally Germany, for the reason that they would not be able to supply the American markets with their present facilities in times of peace; therefore, what would be done in times of war with no surgical instruments and no surgical dressings, appliances, or utensils manufactured in America?

Fifth. The removal of 45 per cent duty on surgical instruments to asylums, hospitals, sanitariums, and other institutions would throw out of employment many thousands of wage-earners. The loss would far exceed the gain that the hospitals seek through this removal of the duty, as a very small percentage of our poor would be benefited.

Sixth. Hospitals are business institutions, and while they aim at and do philanthropic work this percentage of philanthropic work is a very small percentage of the total.

Seventh. Many hospitals are endowed, not with German money but with American capital, and usually donors of large amounts of money to hospitals make provision for charity work, which is the plea used by the hospitals to secure this reduction. American hospitals endowed with American money by liberal American citizens should be patriotic enough to lend their aid, encouragement, and patronage to American industry.

Eighth. The means do not justify the end. A much larger proportion of our American people would suffer by being thrown out of employment than would be benefited by the reduction.

Ninth. Besides, the proposed amendment is a discrimination against the American manufacturer in favor of the German manufacturer who does not in any way contribute to the success of this country nor to the paying of the taxes by which many of our public institutions are maintained, and it would be a specific discrimination against a weak and growing industry in this country.

Tenth. Gynecology had its start in America through Dr. J. Marion Sims, and the inventions of his instruments to suit his operations. These are now used the world over, and our industry has not had enough protection so as to manufacture them in this country and export them from America; but we are compelled to import

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them for the want of sufficient and low-priced labor. In other words we can not compete, at double the wages, with Germany.

Eleventh. Surgical instruments are manufactured very largely by Germans in their own homes, where father, mother, sons, and daughters all help in making their living. In America the mechanics desire well-equipped factories with all the modern conveniences. All this adds to the cost of manufacturing.

Twelfth. Nothing is dearer to any human being than his own life, and as our semiprofession aims to create and manufacture all the known means of prolonging life, it would seem to us that we should not depend upon a foreign nation.

Finally, as individuals and as an association, we enter our solemn protest against any change or amendment to the present tariff law as applied to paragraph 638.

J. L. HARTZ,
President American Surgical Trade Association,
Composing a Membership of Two Hundred.

This memorial is indorsed by the following:
The Justrite Company, Chicago, Ill.
Victor Electric Company, Chicago, Ill.
George Ermold Company, New York, N. Y.
H. J. Penfold Company, Omaha, Nebr.
F. A. Hardy & Co., Chicago, Ill.
Charles Lentz & Sons, Philadelphia, Pa.
William V. Willis & Co., Philadelphia, Pa.
The Valzahn Company, Philadelphia, Pa.
The Physicians Supply Company of Philadelphia, Philadelphia, Pa.
Gemrig & Sons, Philadelphia, Pa.
Edw. A. Merkel, Philadelphia, Pa.
Jos. C. Ferguson, Philadelphia, Pa.
Schneider & Allen Company, Philadelphia, Pa.
George C. Frye, Portland, Me.
Max Wocher & Son Company, Cincinnati, Ohio.
Electro Surgical Instrument Company, Rochester, N. Y.
Wardle Brothers, Hudson, N. Y.
Dutro & Hewitt, Memphis, Tenn.
William Eisen, New York, N. Y.
Woodard-Clark Company, Portland, Oreg.
William Hatteroth, San Francisco, Cal.
Powers & Anderson (Incorporated), Richmond, Va.
F. H. Thomas, Boston, Mass.
Becton, Dickinson Company, Rutherford, N. J.
McKee Surgical Instrument Company, Washington, D. C.
Physicians Supply Company, Kansas City, Mo.
J. E. Hanger, Washington, D. C.
H. D. Caputain, Chicago, Ill.
Truax, Greene & Co., Chicago, Ill.
Globe Manufacturing Company, Battle Creek, Mich.
Scheidel-Western X-Ray Coil Company, Chicago, Ill.
Codman & Shurtleff, Boston, Mass.
Blees-Moore Instrument Company, St. Louis, Mo.
Sharp & Smith, Chicago, Ill.
Spear-Marshall Company, Chicago, Ill.

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CHARLES HEBER CLARK, OF CONSHOHOCKEN, PA., PROTESTS AGAINST DUTY-FREE ADMISSION OF SURGICAL SUPPLIES.

CONSHOHOCKEN, PA., *February 10, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are manufacturers—probably the largest in the world—of supplies, appliances, and apparatus for the use of hospitals, surgeons, ordinary physicians, and afflicted people.

We make for these interests many million yards of absorbent and medicated gauze a year, many million pounds of absorbent and medicated cotton, and the following appliances: Surgical ligatures, adhesive plasters, metallic splints, cauteries, hypodermic syringes, catheters, trusses, and physicians' thermometers in great quantities.

We beg leave respectfully to protest against the petition addressed to your honorable body asking that "medical and surgical instruments, appliances, and apparatus" imported by and for the use of hospitals and other institutions shall be admitted to the United States free of duty. We protest, further, against any reduction of the duties imposed upon such articles by the existing tariff law, and we protest for the following reasons:

First. The words "appliances and apparatus" employed in the said petition are not words of precision. They are indefinite and obscure, but far-reaching. Under any usual interpretation of the customs law they could be made to cover and include practically every article produced in our factories. We are confident that the result would be the complete destruction of our great business unless we should at once reduce the wages of all our work people (about 2,000 in number) to the German level.

Second. What that level is, and what is the difference between the wages paid in our mills and in European mills engaged in a similar business, may be learned from the fact that while we pay from $1.25 to $1.50 per day to a female weaver in our gauze mill, the best wage in Europe for such a worker, as we are informed, is 64 cents. A larger difference appears in the wages paid in other departments, according to the available evidence.

Many girls in our mills earn from $10 to $14 per week, which is, we believe, much more than male workmen earn in German mills making similar appliances.

But even with the wages cut to European rates the higher cost of many of the materials in this country would still put us at disadvantage with European competitors under free trade.

Third. The things we make are for the relief of human suffering. Many of them—ligatures, for example—require scientific knowledge, accurately and with most scrupulous carefulness applied.

We have that knowledge. We employ highly skilled men to direct the operations. Our factories and work people are kept in conditions of positive cleanliness. We have learned and we practice the rules governing the preparation of aseptic goods for use by surgeons and hospitals.

We are in constant communication and cooperation with the best surgeons and physicians in the country, experimenting for them and having them experiment for us, and we spare no expense, no trouble, no cost of research or inquiry, to give to the medical profession the best that science can produce.

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To this end, for example, we have begun the manufacture of catgut, because all imported catgut is more or less infected and can with difficulty be completely sterilized for operations upon the human body. We sterilize it finally and completely in the process of making it.

We are confident that if the door shall be opened wide for the importation of this and other materials for surgeons there will be a death penalty for multitudes, perhaps for hundreds of thousands, of Americans.

No European manufacturer, we positively declare, has done so much as American manufacturers have done to carry toward the safety point, in preparation of surgical appliances and apparatus, the methods demanded by advanced modern science.

Fourth. We ask you to consider that it is of vital importance to the nation that factories making these articles in large quantities should be encouraged and maintained in the United States.

The great suffering of the southern armies during the civil war because of lack of a supply of just these necessaries will be remembered. We may have a war with the very nations upon which we may, if our own productive forces shall be paralyzed, be dependent for such supplies. In war time the ability to procure at once and in abundance the things made in our factories will be as important as to have access to supplies of gunpowder.

Fifth. We make no objection to, but on the contrary would welcome, such amendment of paragraph 638 in the present tariff law as would permit hospitals conducted upon a benevolent basis to obtain free entry of philosophical and scientific apparatus not made in this country.

Sixth and finally. None of our prices are unreasonable. There is sharp home competition which makes extortion impossible. Because we recognize that hospitals are maintained in the interest of suffering humanity we are, and long have been, supplying to them our products at low and practically nominal prices, little above cost.

CHAS. HEBER CLARK.

(For Johnson & Johnson, New Brunswick, N. J., and J. Ellwood Lee Co., Conshohocken, Pa.)

TEXTILE MACHINERY.

[Paragraph 193.]

EVAN ARTHUR LEIGH, IMPORTER, OF BOSTON, MASS., SUBMITS STATEMENT RELATIVE TO FOREIGN LABOR.

232 SUMNER STREET, BOSTON, MASS., *January 25, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Since my attorneys, Messrs. Searle & Pillsbury, filed brief on duty on textile machinery, I have received information from English builders as to the American manufacturers' statement that during the life of the present tariff wages have decreased in England while they have increased 10 per cent to 20 per cent in the United

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States. My correspondent states positively that since 1897 wages in the textile machinery industry have increased 15 per cent and over and the cost of material has increased more than 10 per cent. The American manufacturers' statement as to decrease in English wages is not only false and misleading, but is proven so by the list of English wages submitted with their statement of November 25, 1908. This list covers the period from 1890 to 1903, and shows an increase in all lines. Further, I beg to point out that in 1897 the American builders claimed that labor was 75 per cent of the total cost in this country, and asked that the duty be advanced from 35 per cent to 45 per cent to offset difference between English and American labor cost. They now claim that labor is 50 per cent of the American total cost, and also claim that since 1897 wages have increased 20 per cent, but still maintain that 45 per cent will offset the difference in labor cost between England and America. This certainly shows that the American manufacturers are reducing the labor cost in the face of an advance in wages amounting to 20 per cent.

Having decided in 1897 that a duty of 45 per cent afforded ample protection with a fair profit to the American manufacturer when labor cost was 75 per cent, how can they consistently ask for the same rate while admitting that the labor cost is 25 per cent less than in 1893 to 1897? If the truth could be learned, it would show that the labor cost in American textile machine shops is considerably less than 50 per cent of the total cost, owing to the improved tools used and the low wages paid.

Under a 45 per cent duty it is absolutely impossible for me to import English machinery at anything near the prices accepted by American makers, while in Canada, where I sell considerable machinery, the American builders are constantly supplying machinery at a lower price than I can accept.

An American machine builder recently sold to a mill in Canada 500 or 600 looms at 33 per cent less than the cost of similar looms made in England; other American machines are quoted as low, and lower than the English, yet both countries pay 10 per cent duty in Canada. This shows how much protection the American textile machinery industry really needs. As to prices in the United States, I have never been able to import a carding engine at less than $650, yet the American builders are constantly selling at $450 and under, and other machines in the same proportion.

Yours, very truly, EVAN ARTHUR LEIGH.

TIN CANS AND BOXES.

[Paragraph 193.]

THE AMERICAN CAN COMPANY, NEW YORK CITY, THINKS ADDITIONAL PROTECTION NECESSARY FOR MAKERS OF TIN CANS AND SIMILAR CONTAINERS.

NEW YORK CITY, *February 16, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: The present tariff on tin cans, boxes, and containers falls far short of protecting the American manufacturer to the extent of the difference in cost of materials and labor abroad as compared

with the same costs in the United States. This oversight on the part of the framers of the present law was doubtless due more to the inattention of the manufacturers of this line of goods than any purpose to discriminate against this particular industry, and the reason of the failure of the manufacturers to properly present their claims at the time the law was enacted was unquestionably due to the fact that up to the time of that enactment and for a number of years thereafter there were no important importations of these packages.

There has grown up in the last few years, however, quite an extensive trade in this country in imported packages of the kind described. Importations are becoming large and alarmingly frequent, and manufacturers in the United States are powerless under the present law to prevent them or their rapid increase. Tin plate can be bought abroad for $2.70 per base box of 112 sheets 14 by 20, 100-pound basis, and present 1½ cents per pound duty is equivalent to a 55 per cent ad valorem rate, while these packages of which tin plate constitutes from 90 per cent to 95 per cent of the material but 30 per cent to 75 per cent of the total cost are dutiable at 45 per cent ad valorem. Under the present law, therefore, American labor employed in making these packages is inadequately protected, since the duty on the imported packages is less than on the material from which they are made. On plain packages the percentage of labor necessary to produce $1 worth of goods is on an average of about 25 per cent of the total cost, while on decorated packages the percentage of labor is up to 55 per cent, varying with the number of printings, and it is plainly evident that the duty on the plainest package should exceed that on tin plate and a proper schedule give an increased and greater duty on packages where labor constitutes a larger percentage of the total cost. On lithographed or decorated tin packages the position of the manufacturer is similar to that of a manufacturer of lithographed paper or cardboard work, and assuming that paper and cardboard are worth about the same in foreign countries as here as much protection above the duty on tin plate as the whole protection given on lithographed paper or cardboard is justified. The foreign labor conditions of which and the necessity for revision of the present law are set forth in a brief of the National Association of Employing Lithographers has been filed with your committee.

We attach affidavit of Mr. Felix Eberhart, a German-American who is as familiar with the cost of labor in Germany as in America, showing that the cost of labor in Germany on this line of manufacture is about 40 per cent of the American cost. We submit his comparative schedule showing the rate of wages paid in the United States and Germany for the different classes of labor employed in the production of lithographed tin packages, and we also submit estimate of costs here and in Germany for decorated or lithographed tin packages which are now being imported.

Another factor of importance to be considered in establishing proper protection to the American industry is the capital invested in the United States and abroad to secure the same volume and character of output. The machinery employed in the production of these packages is to a great extent special, and it is a well-known fact that such machinery can be bought in England and Germany for a very much lower price than here—in many instances enough

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lower to justify purchase abroad and the payment of freight and 45 per cent duty.

Importations of filled containers may now be made at varying rates of duty, determined entirely by the nature of their contents. For instance: A package filled with crackers is charged with the same duty as crackers or 20 per cent ad valorem, whereas the same style and quality of package filled with tea can be imported free of duty. This induces the packing of these goods abroad in containers which cost less than American-made goods, and which, under the existing method of classification, are entered at less than the regular duty of 45 per cent on containers, per se.

It is asked that the duty on tin boxes, cans, and containers shall be fixed as follows:

First. A specific duty on the weight of the packages which shall be not less than 20 per cent more per pound than the duty levied on tin plates, the additional percentage being added to cover the waste in manufacturing the package from tin plate. This specific duty will but fairly protect the American manufacturer in respect to the principal material used in the manufacture of these packages, which is tin plate.

Second. In addition to the specific duty as stated, an ad valorem duty of 40 per cent on plain tin packages, 65 per cent on lithographed or decorated packages in less than six printings, and 90 per cent on decorated packages of six or more printings.

These proposed rates will barely protect the American manufacturer and allow the present rates paid labor to the extent, first, difference in cost of material; second, difference in cost of labor; third, difference in investment allowing the same, and a moderate rate of profit to home and foreign manufacturers.

Respectfully,

AMERICAN CAN COMPANY,
By F. RUDOLPH, *Vice-President.*
A. J. MARCUSE,
Assistant General Sales Agent.

EXHIBIT A.

Estimate of costs in the United States and in Germany for decorated or lithographed tin packages which are now being imported.

	American.	German.
Tin color boxes	$24.25	$13.48
Tin cigarette boxes printed in six colors	9.55	5.26
Tin talcum powder boxes printed in seven colors	20.07	9.22
Tin tobacco boxes printed in six colors	11.67	6.82

EXHIBIT B.

STATE OF NEW YORK, *County of New York, ss:*

Felix Eberhart, being duly sworn, deposes and says: I reside in Harrsion, N. J. I was born in Wurttemberg, Germany, and am 43 years of age. I have resided in this country twenty-six years. I have prepared the following average comparative schedule, showing the wages paid in the United States and in Germany for the different classes of labor employed in the production of lithographed tin packages, as

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near as I could ascertain the same from observation when I was in Germany three years ago. To the best of my knowledge and belief, the same is a correct statement of the conditions at that time.

	American rate per week.	German rate per week.
Lithographing.		
Stone grinders	$15.00-$18.00	$4.00-$6.00
Lithographers, including transferrers and pressmen	20.00- 25.00	8.00-10.00
Engravers	25.00- 35.00	9.00-12.00
Feeders	9.00- 13.00	4.00- 4.50
Flyers	6.00- 8.00	1.50- 2.50
Apprentices	4.00- 8.00	(a)
Coating-machine operations.		
Feeder and flyer	8.00- 9.00	2.00- 3.00
Manufacturing labor.		
Foreman	18.00- 35.00	5.00-10.00

a Nominal.

Based on above comparison and estimating the output of the German competitor to be the same as the American, I figure the German labor cost to be about 40 per cent of the American. To the best of my knowledge and belief, a like proportion holds good in the other branches of the manufacture of tin cans.

FELIX EBERHART.

Subscribed and sworn to before me this 16th day of February, 1909.

[SEAL.] WILLIAM D. FOSTER,
Notary Public, New York County.

TUNING PINS.

[Paragraph 193.]

THE AMERICAN MUSICAL SUPPLY COMPANY, JERSEY CITY, SUGGESTS SPECIFIC ENUMERATION OF TUNING PINS.

THE AMERICAN MUSICAL SUPPLY
COMPANY OF NEW JERSEY,
20-26 MORRIS STREET,
Jersey City, N. J., February 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

SIR: This company has been engaged in the manufacture of tuning pins, commonly known as piano tuning pins and zither tuning pins for the past twelve years.

Our company is capitalized at $100,000, and the value of our plant and open accounts ranges between $50,000 and $60,000. We average from 35 to 40 employees on our pay roll, two-thirds of whom are boys and girls ranging from 16 to 20 years, and the balance are men. Our average pay roll is upward of $15,000 per annum.

Our concern is the only one manufacturing tuning pins in this country. We are in competition with tuning pins which are manufactured in Germany. When we started in the business twelve years ago, the price of tuning pins ranged from $3.25 to $3.75 per thousand pins. As soon as our competition commenced to be felt the price was

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gradually reduced until at the present time it ranges from $2.25 to $2.75 per thousand pins. During the past year the prices of the imported pins were reduced about 15 per cent, and we have been obliged to accordingly reduce our prices in order to meet this ruinous foreign competition. Judging by our knowledge of the prices at which tuning pins are sold in Germany and other European countries, we are convinced that the imported pins are greatly undervalued. We understand that these pins are subject to duty at 45 per cent ad valorem under paragraph 193 of the Dingley tariff act.

For your information we beg to state that the cost of the pins manufactured in Germany as compared with ours, all expressed in United States currency, is as follows:

Average cost per 1,000 pins, all sizes.

	Germany.	United States.
Raw material (wire)	$0.71	$1.
Labor cost, including all expenses	.39	1.24
Total	1.10	2.32

The average selling price for the past six months in the United States has been less than $2.50 per 1,000 pins. Without taking into consideration the interest on our investment, you will observe from the foregoing figures that the average difference in cost of manufacture between the German tuning pins and our own is about $1.22 per thousand pins. This difference in cost is principally on account of labor, the German labor cost being less than one-third of ours. We pay more in this country in weekly wages to the boys and girls we employ than is paid in the German factories to the men employed there; and to the men employed by us, all of whom are experienced mechanics and good workmen, we are obliged to pay three times as much in labor as is paid to like workmen in the German factories.

We would also call your attention to the fact that our raw material costs us on the average 50 per cent more than the German manufacturers have to pay for theirs. As our company is distinctly an American enterprise, employing American workmen, using only American material, we claim that we are entitled to a reasonable amount of protection, equivalent at least to the difference between the foreign cost of production and our own, plus a reasonable profit. In view of the fact that undervaluation is very easily practiced in this commodity, we respectfully request that you make a special provision in the proposed new tariff covering tuning pins.

The costs mentioned above relate only to tuning pins, blued, bright, or tinned. Nickel-plated pins, which are used to a limited extent, cost about 75 per cent more to manufacture both in Germany and this country. In view of these facts, we respectfully suggest that the following provision be included in the new tariff bill.

Tuning pins of iron, steel, or other metal, for pianos, zithers, or other similar musical instruments, plain, blued, bright, or tinned, $1.50 per 1,000 pins.

All of the foregoing, nickel plated, $1 per 1,000 pins extra.

The foregoing provision will enable us to continue in business in competition with the foreign pin manufacturers, employing low-priced foreign labor, and preserve for the American workman now

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employed in this industry the reasonable standard of wages they are now receiving; at the same time only a fair return can be obtained on the comparatively large amount of capital invested in the business.

During the past twelve years since we have been engaged in this business we have been obliged to fight very hard in competition with the foreign manufacturers to gain a foothold and establish ourselves in the trade. During all of this time we have been obliged to meet constantly reducing prices until at the present time the foreign material is being offered in this country at figures which, on many sizes of these pins, are lower than our cost. We feel confident, therefore, that your committee will give our case the consideration it deserves and grant to us the measure of protection we ask for, thus assuring the continuation of this industry in this country.

Respectfully,

THE AMERICAN MUSICAL SUPPLY COMPANY.
Per F. HESSMER, *Secretary.*

BISMUTH.

[Paragraph 495.]

THE MONSANTO CHEMICAL WORKS, ST. LOUIS, SUGGESTS NEW PARAGRAPH TO PROVIDE FOR DUTY ON BISMUTH.

1800 SOUTH SECOND STREET,
St. Louis, February 22, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to the brief on bismuth we filed with your committee November 18, 1908, our attention has been called to the fact that if you act favorably on our application for revision on the present tariff on this metal there is an opening for a misconstruction of the paragraph we proposed, reading:

Lead bullion or base bullion containing ninety-five per centum lead or less, two and one-eighth cents per pound on the lead contained therein: *Provided*, That in levying and collecting the duty on lead, duty shall also be levied and collected on any other dutiable material contained therein.

We therefore suggest the following to replace the above paragraph:

Lead bullion or base bullion containing ninety-five per centum lead or less, —— per pound on the lead contained therein: *Provided*, That in levying and collecting the duty on lead, duty shall also be levied and collected on any other dutiable material contained therein: *Provided*, That in no bullion containing bismuth shall such bismuth be dutiable unless such bismuth is equal to or exceeds seventy-five per centum of said bullion.

We sincerely trust you will give our application for a duty on bismuth the kind consideration it deserves, by reason of the fact that if a duty is put on this metal it can not possibly affect any consumer by reason of the comparatively small quantities in which it is consumed, and it will have the effect of building up a new industry in this country at the expense of a foreign monopoly, which at the present time exists, as stated in our brief.

Very respectfully,

MONSANTO CHEMICAL WORKS,
Per JNO. F. QUEENY, *President.*

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VARIOUS METALS.

THE VIRGINIA ELECTROLYTIC COMPANY, NEW YORK CITY, SUGGESTS RATES FOR ALUMINUM, BARIUM, CALCIUM, MAGNESIUM, SODIUM, AND POTASSIUM.

99 CEDAR STREET,
New York City, February 8, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Aluminum is now subject to a duty of 8 cents a pound. Magnesium is on the free list. The other metals are subject presumably to 20 per cent ad valorem as unenumerated metals.

The Virginia Electrolytic Company is interested as an actual producer of sodium and because it has developed processes for the reduction of several of the other metals including aluminum, which processes with minor changes are applicable to all.

Two of the metals, aluminum and sodium, are now very largely produced in the United States. These industries have been possible because of the patents of Hall and Castner, respectively, which patents, both American and foreign, will expire shortly. Also because, in the case of sodium, of certain international trade arrangements.

The ore from which each metal is made, is found in the United States as well as abroad, and so far competition is on a fairly even basis.

All the metals are best produced by electrolytic processes. This is expensive, as may be judged from the fact that one electrical horsepower working continuously for a year will produce from 200 pounds to 500 pounds a year, according to the metal.

As we have in the United States all the ores needed, and water powers to supply the electricity needed, there can be no doubt that each metal will be produced here, provided that the requisite scientific skill exists, and provided also that a reasonable measure of tariff protection is granted.

As to the skill: Hall and Castner, who invented the processes for making aluminum and sodium, were both young Americans graduated in our technical schools. It may be said generally that electrochemical science at large is well advanced in this country as compared with its conditions in other countries.

As to the protection needed: The cost of ores, as already stated, may be neglected, the cost here and abroad being about the same.

The cost of electro-hydraulic installations is greater in this country because of the higher first cost of turbine wheels, etc., and of dynamos and electrical appliances at large; also because of the higher heads of water available in the European countries where electro-hydraulic establishments exist, to wit, in Switzerland, and the Alpine portions of France, Italy, Germany, and Austria, and in the Scandinavian countries. The lowest figure at which electrical current can be bought in this country is from $12 to $18 per horsepower per year. In Europe it can be bought at from $7 to $12.

Presumably the cost of like installations in the United States and in Europe will continue to be divergent in favor of Europe so long as labor is lower in the latter and so long as the supply of water at high heads holds out there. We have few high heads in this country.

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The cost of labor: We are advised as the result of inquiries in Europe by members of our own staff that common labor in the Alpine and Scandinavian districts runs from 40 to 70 cents a day. In our country it runs from $1 to $1.50 a day. Higher grade labor is more expensive proportionately with us.

Assuming that the cost of electricity is 50 per cent greater in the United States and that labor is 50 per cent higher (both of these figures understate the actual differences) and that the ores or materials do not represent more than 20 per cent of the ultimate cost (which is likely to be true, excepting in the case of aluminum, where the cost of ore may be 40 per cent), all on the basis of the American cost, it is obvious that duties of from 50 per cent to 70 per cent are needed if the industries are to be permanently conducted in our country. Even so, the outlook for American plants could not be considered good, if one left out of view certain advantages that the home producer has as being nearer to the home market, the belief that manufacturing costs in the long run tend to equalize themselves the world over, and the hope that American skill is likely to prove greater and American labor more efficient than European skill and labor.

The Virginia Electrolytic Company believes, as respects the metals in question, that any duty decided upon should be specific, not ad valorem. Its reasons for this belief are as follows: In the history of metals produced by chemical and electrolytic methods the cost to the consumer is high at first because sales are limited and processes are not perfected. Take, for instance, aluminum; it sold in early years at $2 a pound or more. It is now made in Europe possibly for 11 cents and in the United States for 16 cents per pound. A duty of 50 per cent ad valorem in the early days would have imposed a serious burden on consumers. The actual duty of 8 cents per pound has, on the other hand, proven high enough to give the industry a great start in our country. Magnesium is another instance. It now sells in Europe for $1 per pound. It may be made in this country, as we believe, for 29 cents a pound. So long as the Europeans keep up their price, obviously American producers would need no duty. When they get their cost down to a possible 17½ cents, obviously American producers will need protection.

In all the special metal trades continental producers have now combinations that work out results similar to our so-called trusts. These combinations are effected under the guise of selling agencies. The producers unite in the given combinations. Prices are made and production limited, if need be, by them. Excess supplies are shipped abroad rather than thrown on the home market. Our country is a favorite dumping ground. Obviously, specific duties rightly based will be more just to consumers and to producers, under these circumstances, while the given industries are young, and as well in the time when production and competition are in the stages of more perfect development.

In the following table we place the approximate ultimate cost of the metals named in this country and the approximate ultimate cost in Europe.

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	In the United States.	In Europe.
Aluminum	$0.16	$0.11
Barium	.375	.215
Calcium	.375	.215
Magnesium	.29	.175
Sodium	.145	.095
Potassium	.26	.18

These figures are based on cost of processes now in use. Of course the cost of some of the metals may become lower hereafter by the development of better processes.

Taking the figures of present cost, it may be that the existing duty of 8 cents a pound on aluminum could be safely cut down to 6 cents. The other metals should bear duty as follows (no allowance being made for profit, because it may be assumed that producers on both sides will not sell without some profit):

Barium	$0.16
Calcium	.16
Magnesium	.115
Potassium	.08
Sodium	.05

We believe these duties would be just.

We believe also that the metals would be cheaper to American consumers at no distant date if these duties should be levied than otherwise, for common sense teaches and experience demonstrates that merchandise sells lowest in our country when protection is high enough to enable our people to enter upon the manufacture of the given article, provided always, of course, that duties are not made so high as to encourage combinations.

It remains to say that all of the industries named call for heavy outlays of capital. The cost of an installation to make a metal that yields one-half of a pound per horsepower per day is, say, $150. To produce 1 ton a day would call for a plant costing $150, multiplied by 4,000 equals $600,000. This calculation is based on the proposition that the given manufacturer owns his own hydro-electric installation, which at $150 per horsepower is cheaper than to pay the usual rate of $15 a year for electric current.

All the industries named are large consumers of labor proportionately to value of output, as well as very heavy consumers of electricity. As they may be established at points where electric current has no other market, their usefulness in giving employment to labor which would have few opportunities otherwise is manifest. Transportation facilities of course are needed, but they often exist in districts remote from centers of population and in mountain territory where agriculture even presents no attractions.

The metals named are important elements in commercial enterprises. The uses of aluminum are well known. Magnesium will become almost equally important. Sodium is used in making cyanide, which material has given a great influx to the production of precious metals. Calcium is likely to have important uses in the production of high-grade steel. Barium has various uses. Potassium may be used along the same lines as sodium. In our struggle

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for a standing in manufactures and commerce we can not afford to neglect them.

All of which is respectfully submitted.

THE VIRGINIA ELECTROLYTIC CO.,
By GEO. F. SEWARD, *President.*

ANTIMONY ORE.

[Paragraph 476.]

HON. JOSEPH M. DIXON, SENATOR, RECOMMENDS THE IMPOSITION OF A PROTECTIVE DUTY ON ANTIMONY ORE.

MARCH 11, 1909.

Hon. S. E. PAYNE, M. C.,
Washington, D. C.

MY DEAR MR. PAYNE: I had intended before this bringing to the attention of the Republican members of the Ways and Means Committee of the House what seems to me an important item that should go in the new tariff schedules. I hope it is not too late to have a duty on antimony ore included in the tariff bill that will be reported by you to the House.

At the suggestion of a number of mining men in the West, I wish to especially call your attention to the present unfortunate condition of the tariff schedule as it affects the production of antimony in the United States. While the present tariff law provides for a duty of three-quarters of a cent per pound on the antimony metal, it places antimony ores on the free list. The result of this arrangement has been that practically no antimony metal is being produced in the United States from our own ores, 99 per cent of the metal produced here being made from the cheap ores imported from Asia, Turkey, Germany, and Mexico.

The importations of antimony ore of recent years, in pounds, has been as follows:

1904	2,409,897
1905	2,087,136
1906	1,759,295
1907	3,053,082
1908	1,682,774

The importations of the metal during this time, in pounds, has been:

1904	3,930,879
1905	4,523,281
1906	7,091,318
1907	8,810,197
1908	8,046,116

The value of the importations during these years in ore and metal has been as follows:

1904	$247,700
1905	363,286
1906	849,285
1907	2,132,366
1908	764,461

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The entire antimony trade is now controlled by one house, the mother house, Cookson & Co., being in England, and their house in the United States, I think, is Halls Brothers & Co. The United States factory, where the imported ore is manufactured into the metal is on Staten Island, an establishment formerly owned by Mathison & Co., who were forced to sell to the English outfit or be crushed by them. As the matter now stands in the United States, this one outfit, with the metal protected by a tariff of three-quarters of a cent per pound, buys no ore in the United States, but imports it from Asia, Mexico, and the countries above mentioned, where the ore is mined with labor that is paid not over 25 cents per day. The sharpest competition for the American antimony comes from Japan and China. The importations of antimony ore is made in the form of a lignate; that is, the crude antimony sulphide is reduced to a matte containing about 65 per cent of antimony, the balance sulphur and some arsenic and iron.

Against these half-finished concentrates made by Chinese or Japanese or Mexican labor the American mines are in urgent need of protection.

The fact that we have been wholly at the mercy of the foreign antimony market has made the price of the metal in this country most erratic, ranging from 10 cents in 1902 to 25 cents in 1906 and 1907, and about 16 cents in 1908. The Russian-Japanese war was the cause for the great rise in price during 1906–7, antimony being extensively used in the manufacture of fixed ammunition, and the Russian-Japanese war creating a tremendous demand for the metal during that conflict.

Antimony is chiefly used in the production of babbitt metal, as an alloy with lead for the manufacture of certain hard kinds of lead pipe, for hard lead for fixed ammunition and shrapnel and for type metal. It is also largely used as a coloring matter and in the manufacture of porcelain.

The present tariff schedule operates most effectively to create an absolue trust in the antimony metal market in the United States. A more perfect schedule could not have been devised for the purpose of putting the whole antimony trade into the hands of one outfit than has been done by the present schedules, putting the duty on metal and allowing the free importation of the ore and matte.

CAN THE UNITED STATES FURNISH ANTIMONY ABUNDANTLY AND CHEAPLY FROM ITS OWN MINES?

The Asiatic and Mexican importers of antimony ore and the concern controlling the antimony metal in the United States will possibly say "no." As a matter of fact, antimony ores are scattered in wide profusion in large deposits all over the Rocky Mountain States; immense bodies of antimony ores are found in Utah, Nevada, Idaho, Washington, Montana, California, Oregon, Colorado, Wyoming, Arkansas, and Alaska.

The United States Geological Survey Reports for 1906 and 1907 show in detail the location of the different deposits of antimony through the Rocky Mountain States. Millions of tons of antimony ore are in sight ready for extraction and shipment in a dozen different States, but it is impossible to successfully mine and ship this ore to

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market in competition with Asiatic and Mexican ore that is mined with a wage scale of 25 cents per day as against $3.50 per day paid in all of the mining camps of the West.

The same argument that puts lead ore, iron ore, and zinc ore on the protected list applies with equal force to antimony ore. The present tariff schedules place a duty on granite, sandstone, and limestone of 12 cents per cubic foot; on marble 65 cents per cubic foot; mica, 6 cents per pound; iron ore, 40 cents per ton; lead ore, 1½ cents per pound.

In fact antimony ore is about the only metal that is found in large quantities sufficient to cover the demand for all commercial purposes in the United States on which a tariff duty is not levied for the protection of the home market.

A small duty placed upon antimony ore, retaining the duty on the antimony metal, would immediately result in the mining within the United States of all the antimony now used in this country.

The report of the Secretary of the Treasury shows that during the year 1907, the last year when imports were at a normal condition, that $2,097,285 was paid to foreign producers of antimony ores and metal, which should have been paid to our own miners in the United States.

I would most respectfully urge upon you, as chairman of the Ways and Means Committee, the importance of remedying present conditions in this particular line of business.

The 10 States of the Rocky Mountain country in which antimony is found are nearly all Republican States. At the present time the only immediate beneficial results from a protective tariff policy to the people of these States is the duty levied on wool, hides, coal, and lead. On behalf of these people I ask the favorable consideration of the Republican members of the Ways and Means Committee to the end that antimony metal and ore shall receive the same consideration in the new tariff schedules as shall be accorded to lead and zinc, as the duty on the metal without a corresponding duty on the antimony ores simply results in putting the whole control in the hands of one company and preventing the building up of what should be one of the profitable industries of the West.

Our people have so few products that are protected at this time that this would be an added inducement to continue in the faith that we all believe to be for the best interests of the country.

Yours, very truly,

JOS. M. DIXON.

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SCHEDULE D—WOOD, AND MANUFACTURES OF.

LOSSES IN LUMBER BUSINESS.

THE MISSOURI LUMBER AND MINING COMPANY, GRANDIN, MO., SUBMITS STATEMENT SHOWING THE NET RESULTS OF ITS BUSINESS FOR ONE YEAR.

GRANDIN, MO., *February 2, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: As you have some evidence and copies of pay rolls from the Missouri Lumber and Mining Company, I want to inclose you a statement of our business for 1908. It is the first time that we have been wholly on the wrong side of the ledger, although in the year 1897 we only made $5,000 for our total profit and interest on half a million dollars of capital. This last year, 1908, we have lost the interest on our capital and $34,000 besides.

I have asked the Bureau of Corporations to send an expert to examine our books and to examine the books of other lumber manufacturers, and Mr. Herbert Knox Smith has promised to send out some men for this purpose in a few days.

I know that you have worked hard and are tired, but these facts are important and in the interest of forest conservation and in the interest of yellow pine lumber manufacturers. I beg you to kindly consider the statements which I have made in the paper which I herewith inclose you.

Yours, truly,

J. B. WHITE,
President and General Manager
Missouri Lumber and Mining Company.

MISSOURI LUMBER AND MINING COMPANY, GRANDIN, MO.

Exposition of profit and loss for 1908.

Detail cost of manufacturing and selling lumber:	
Tramroad depreciation	$51,287.68
Cutting and skidding	76,970.63
Mill stocking	72,368.64
Sawmill expense	40,657.58
Dry kiln expense	7,553.56
Yard expense	27,071.96
Planing mill expense	21,663.47
Shipping expense	13,216.80
Electric-lights account	737.79
Office expense	3,930.97
Lumber expense	23,770.68
Cost of manufacturing and selling, per detail	339,229.76
Stumpage, at $3 per M b. m. Cr. to pine lands	93,338.99
Taxes (lumber), $2,049.43; insurance, $6.955.75	9,005.18
Lumber sawed on contract	496.39
Lumber purchased	32,543.11
	474,613.43

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Received for 1,612 cars, 31,134,334 feet, shipped	$566,654.38		
Received for 563,899 feet used at Grandin	8,390.67		
Total sales, 31,698,233 feet	575,045.05		
Increase in stock January 1, 1909, over January 1, 1908	19,905.57		
	594,950.62		
Less freight, $125,410.02, and discount, $6,975.68	132,385.70		
		$462,564.92	
			$12,048.51
Sundry losses and expenses:			
Coal account		8,036.98	
Building repairs and expense		5,066.35	
Water works, active		514.79	
Steam heating, active		767.09	
Machine shop		650.10	
Yard teams		2,074.27	
Log teams		2,257.78	
Hunter farming		1,469.03	
Hotel account		712.56	
Tie contract account		1,814.19	
General improvement expense		211.81	
General expense		9,029.79	
Legal expense		4,901.08	
Preaching and churches		1,759.34	
Charity account		31.00	
Interest and exchange		1,727.24	
Oak lumber account		5,766.32	
Sundries in profit and loss account		1,361.93	
			48,151.65
Store No. 10 account:			
Cost of merchandise bought 1908		22,159.21	
Labor and expenses		5,146.21	
Decrease in stock January 1, 1909, under January 1, 1908		.78	
		27,306.20	
Sales for 1908		25,272.20	
			2,034.00
Total depreciation (exclusive of tram roads)			25,056.39
			87,290.55
Lath account:			
Received for 8,962,850 laths sold		25,746.99	
Decrease in stock January 1, 1909, under January 1, 1908		884.85	
		24,862.14	
Less freight, $7,145.69, and discount, $232.39		7,378.08	
		17,484.06	
Cost to manufacture, sell, and ship		14,064.76	
			3,419.30
Store account:			
Grandin store sales, 1908	$152,408.11		
Decrease in stock January 1, 1909, under January 1, 1908	4,346.50		
		148,061.61	
Cost of merchandise during year		113,693.64	
		34,367.97	
Labor, $12,206.82; expense, $3,774.17; freight, $6,668.07; insurance, $536.95; taxes, $373.47		23,559.48	
			10,808.49

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Store No. 9 account:			
Sales for 1908	$48,761.73		
Increase in stock January 1, 1909, over January 1, 1908	2,761.68		
		$51,523.41	
Cost of merchandise during year		38,862.58	
		12,660.83	
Expense and labor		4,564.93	
			$8,095.90
Sundry earnings:			
Supply account		49.02	
Rent account		21,939.96	
Shop No. 1		1,922.49	
Shop No. 2		1,522.38	
Shop No. 5		793.01	
Shop No. 6		57.56	
Dairy farming		70.38	
Farming		.87	
Hub contract account		2,803.22	
Picket account		326.63	
Shingle account		1,040.13	
			30,525.65
			52,849.34
Total loss on lumber and sundry losses and expenses			87,290.55
Total profit on lath, stores, and sundry earnings			52,849.34
Net loss, exclusive of interest on capital			34,441.21
6 per cent interest on capital of $500,000			30,000.00
Total loss			64,441.21

LABOR IN BRITISH COLUMBIA.

THEODORE M. KNAPPEN, MINNEAPOLIS, MINN., FILES SUPPLEMENTAL STATEMENT RELATIVE TO ORIENTAL LABOR IN BRITISH COLUMBIA.

MINNEAPOLIS, MINN., *February 4, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: We have put in a good deal of time trying to secure additional information as to the matter of employment of oriental labor in British Columbia sawmills and also in those of Washington. It is rather difficult to secure this information by correspondence, however, because we find the Canadian lumbermen are very loth to supply us with information for fear that it will be inferred that they are trying to take a hand in the agitation for the repeal of the United States tariff. We have, however, succeeded in getting some data that may interest you. Mr. H. D. Blackford, who represents the Brooks-Scanlon Lumber Company, of Minneapolis, at Vancouver, writes as follows:

I note that some of the Washington lumbermen claim that there are 80,000 orientals working in British Columbia. The immigration department at Victoria informs me that the total number in British Columbia and the Yukon, which by the way is a terri-

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tory nearly as large as the United States, is as follows: Japanese, 12,000; Hindoos, 3,000; Chinese, 18,000.

Of the 12,000 Japanese, it is estimated that about 2,000 have smuggled themselves into the States. Six or seven thousand are engaged in fishing. Three or four thousand work in lumber mills, on railroads, and as porters around saloons, hotels, clubs, or keep stores.

Of the 3,000 Hindoos that came here there are about 2,500 left. They are British subjects, work in mills, work on road work and clearing land, and all kinds of general labor.

Of the 18,000 Chinese, it is estimated that there are 12,000 or 13,000 in British Columbia and the Yukon. Many have gone farther east in Canada, and many have gone over the line into the States. The remaining Chinese do not as a rule work in mills or at any very heavy labor. Nearly all the fish canning is done by Chinese, all the way from the mouth of the Fraser River to Alaska. A few are in mercantile business and several thousand are employed as domestic servants. Female help is almost impossible to obtain in this country, and Chinese work in private families. It is stated that the only hotels or boarding houses in British Columbia that employ white cooks is the Empress Hotel at Victoria and Vancouver Hotel of this city.

In regard to the assertions that only two Washington mills employ orientals, the Western Employment Agency, of Seattle, Wash., state that orientals are employed by the following Washington State mills:

A. J. West Lumber Company, Aberdeen.
Standard Mill Log Company, Thomas.
Mukilteo Lumber Company, Mukilteo.
Minnesota Lumber Company, Avon.
A. P. Perry Lumber Company, McIntosh.
Union Mill Company, Lacey.
Salmon Creek Lumber Company, Little Rock.
Chehalis Lumber Company, Littell.
Northwestern Lumber Company, Kerriston.
Reliance Lumber Company, Tacoma.
Atlas Lumber and Shingle Company, Lake McMurray.
Clearlake Lumber Company, Clearlake.
Skykomish Lumber Company, Skykomish.

We have received information also that the Tacoma Mill Company, the C. D. Danaher mill, and the Puget Sound Lumber Company employ more or less orientals, the Puget Sound Lumber Company being particularly strong in that kind of labor.

In regard to the misleading statement that the British Columbia government imposes no head tax on the Japanese it should be explained again that the Jananese are now by a treaty arrangement with Japan more rigorously excluded from British Columbia than they are from the United States.

We inclose also a copy of the official British Columbia timber license blank, which explicitly provides that neither Chinese nor Japanese shall be employed in lumbering operations on provincial lands.

The secretary of the British Columbia Lumber and Shingle Manufacturers Association, while declining to provide us with any data for the reason above given, admits that there have been some very wild statements made as to the number of orientals employed in the British Columbia mills.

The Fraser River Lumber Company, Limited, Fraser Mills, B. C., who operate probably the largest lumber, lath, shingle, and box shook mill in British Columbia, state in a letter signed by Mr. R. L.

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Craig, treasurer, that the total percentage of wages paid in all their mills to Asiatics is only 13 per cent.

Very truly, yours,

THEO. M. KNAPPEN,
Secretary.

EXHIBIT A.

BRITISH COLUMBIA LAND ACT AND AMENDMENTS.

Timber license.

In consideration of ——— dollars now paid and of other moneys to be paid under the said acts, and subject to the provisions thereof, I, W. S. Gore, deputy commissioner of lands and works, license ——— to cut, fell, and carry away timber upon all that particular tract of land described as follows:

.....
.....
.....

The duration of this license is for ——— year from the ——— 190–.

The license does not authorize the entry upon an Indian reserve or settlement, and is issued and accepted subject to such prior rights of other persons as may exist by law, and on the understanding that the Government shall not be held responsible for, or in connection with, any conflict which may arise with other claimants of the same ground, and that under no circumstances will license fees be refunded.

N. B.—This license is issued and accepted on the understanding that no Chinese or Japanese shall be employed in connection therewith.

———,
Deputy Commissioner of Lands and Works.

LANDS AND WORKS DEPARTMENT,
Victoria, B. C., ———, 190–.

DRESSED LUMBER.

H. B. SHEPARD, BOSTON, MASS., URGES THE MAINTENANCE OF A PROTECTIVE DUTY ON DRESSED LUMBER.

BOSTON, MASS., *February 11, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: Kindly allow us to express our views concerning the revision of the tariff now under consideration so far as it refers to rough and dressed lumber. Speaking as one of the oldest lumber corporations doing business in the New England or Middle States, and also as one of the largest handlers in this section, we desire to say that we believe in the principle of protection to the industries of the United States so far as such protection does not tend to foster monopolies, beneficial only to the few and harmful to the many. We believe that the forests of the middle and eastern portions of the United States are in urgent need of protection or they will be entirely destroyed or felled, as they now are in many localities. We cite Michigan as a striking illustration. Twenty-five years ago a large portion of Michigan was densely wooded, but to-day this State is virtually denuded of forest growth from end to end, and unless something is done to conserve our forest resources within ten years there will be hardly a tree left standing from Minnesota to Maine. We know that Canada has still immense resources in standing timber that should naturally find its principal market in this country, whereas under present conditions a large portion goes to England and South America.

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Why should we annihilate our standing timber, thus making ourselves largely dependent on Canada for our future supply, when by proper legislation now we can husband our small resources, thus doing much to supply our citizens with forest products for years to come at a reasonable cost, which certainly would not seem probable had we no forest reserves in our own country to fall back upon. We therefore strongly urge that the duty be entirely withdrawn from white pine, spruce, balsam, and hemlock lumber in the rough, that is, not planed, which woods are largely the product of eastern Canada, and which would naturally seek an outlet to the United States market.

We do not deem it necessary to reduce the duty on the products of the Pacific coast, such as red cedar, fir, and sugar pine, as our forest area in that section of our country is large and available, and should supply our needs for many years.

Believing as we do in protection both to United States industries and United States labor, and seeing the largely increased tendency to transfer the millwork or dressing of Canadian sawn lumber as an industry to Canada, thereby throwing out of employment thousands of our workmen and silencing our planing mills, we feel that it is clearly the duty of Congress to impose such duties on dressed lumber that the industry may be continued here. The present additional duty on dressed lumber is extremely inadequate, and unless it be largely increased our mills must be closed or transported to Canada. For instance, the additional duty on lumber planed one side is 50 cents per thousand feet, whereas the saving on freight to the manufacturer in Canada is about $1 per thousand feet. Not only this, but cheap Canadian labor still further reduces the cost of milling. Canada exacts a duty of 25 per cent ad valorem on all dressed lumber imported from the United States, thereby prohibiting the millwork in this country. Canada is wise. Why should we not profit by her wisdom and exact the same duty on all dressed lumber entering our country from Canada?

We can not urge too strongly the advisability of this action, as many large mills are now being erected in Canada especially to dress lumber. The largest in North America is that of W. C. Edwards & Co., at Ottawa, just completed, and if allowed to market the finished product of Canadian timber in our country, which is quite possible under the present tariff, it means that all the mills now occupied in kiln-drying and finishing lumber on our northern border—viz, at Ogdensburg, Rouses Point, Malone, and Norwood, N. Y.; and at Burlington, St. Johnsbury, Island Pond, Richford, and Newport, Vt., as well as many others in these States, and in Maine—must close down, thereby virtually wiping out an important industry which has been one of the largest employers of labor in this section for more than the past forty years.

With free rough-sawn lumber and a protective duty on dressed lumber that protects, it is quite possible to reduce the cost of that commodity to the citizens of our country and still foster and increase our lumber manufacturing industry, so vitally important to the growth and prosperity of the United States.

Trusting that you will give our views your most careful consideration, we are,

Yours, very sincerely,

SHEPARD & MORSE LUMBER CO.,
H. B. SHEPARD, *President.*

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YELLOW PINE.

L. J. GRIMM, OTTER CREEK, FLA., CLAIMS THAT REMOVAL OF DUTY FROM CANADIAN LUMBER WILL SHUT DOWN MANY AMERICAN LUMBER MILLS.

OTTER CREEK, FLA., *February 12, 1909.*

Hon. JOSEPH W. FORDNEY, M. C.,
Member Ways and Means Committee,
Washington, D. C.

DEAR SIR: I am in receipt of your letter of January 8, in reply to mine of previous date, wherein you state you will be glad to present to the committee any information of a convincing nature in favor of retaining the protection on lumber, and wish to submit the following for their further consideration, as I consider the removing of the tariff on lumber would be the hardest blow to the southern lumber interests that it has ever experienced.

In reviewing Mr. Tift's testimony before your committee on the question of removing the tariff on Canadian lumber, there are a number of points bearing on this question that were apparently omitted or needed further explanation that I wish to call their attention to. I will explain the condition that exists at our mill, which is applicable to all manufacturers of yellow pine where the timber has been worked for turpentine, which, through Florida and Georgia, is practically all of it.

STUMPAGE.

Take the matter of stumpage: At $1.50 per thousand (the ruling price here), it is necessary to add to this 15 cents per thousand each year to cover carrying charges in the way of interest and taxes. Now, as our raw material has an increasing cost each year, we have naturally got to have an increasing price for our lumber.

We own 120,000,000 feet of standing timber, and estimate that it will take us ten years to cut it out. The manufacturer of lumber has got to provide himself with the raw material when he starts to operate, sufficient for a number of years, in order for him to make his operations profitable, as it is necessary for him to lay out a large expenditure in the way of equipment to start an operation. The amount he invests in equipment is based on the amount of stumpage that he owns, or that is available, this equipment depreciates with each years' use, and the machinery, locomotives, and rail, which generally constitutes about 60 per cent of the investment, is, as a general rule, disposed of at about 30 per cent of the original cost, at the termination of operations, returning to the operator about 20 per cent of his original investment in the way of equipment, so there is 80 per cent that has got to be charged off during each year's operation. Take it with us, we consider that we have ten years in which to dispose of this item, to reduce our operations one-half would double the amount, and would naturally increase our cost of manufacture per thousand proportionately.

PRESERVATION OF FORESTS.

Now, referring to preserving the forests, it is not practical here in the South, unless it would be possible to stop the turpentine operator from working it. On account of the sawmill pine timber all being

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boxed for turpentine, fire is a very destructive element to this class of timber, and it is impossible to keep it out, as the settlers set it to burn off ranges for their cattle.

Our lands are cutting about 4,000 feet per acre, 50 per cent under 10-inch and the balance 10 inches and over, with our present way of working it and the markets that are available at the present time. Now, if the tariff was removed, Canada could furnish all under 10 inches at a price that we could not meet, practically cutting us out of half of our stumpage and reducing our operations from ten years to five, forcing us to leave 60,000,000 feet in the woods for the fire to destroy. Now, we would naturally have to meet this condition; Canada can not furnish the larger dimension. The consumer has got to have the large dimension as well as the small. He goes to the yard man or jobber to buy his lumber. This yard man has bought his small dimension from Canada, his large dimension from us. His lumber from Canada, we will suppose he has saved per thousand feet the amount of the tariff; he has paid us $2 per thousand for the large dimension more than he would have paid if we could have furnished the whole schedule. The facts are the consumer has not bought his lumber any cheaper, the jobber has not made any larger profit, but it has enabled Canada to furnish a portion of the lumber and forced us to leave a portion of ours in the woods to be destroyed—it reverts back to the sawmill operator. Now, would it not be better to retain the present tariff and enable us to sell all of our stumpage and Canada to handle its lumber in the future as it has in the past? As I understand, her stumpage is improving each year that it is left standing, which is not the case with us.

It is estimated that ten years will practically use up all of the sawmill timber that is left standing in this section of the South; it probably would be advisable then to remove the tariff and let Canada bring her lumber in duty free. Taking into consideration the present market and the way the timber has been handled through the South, I do not consider it as a proper time to remove the tariff, as all operations have been based on the prevalent conditions and to retain our present tariff for the period of ten years would give us ample time to work out our present operations and take the matter of tariff into consideration for any future operation.

COST OF MANUFACTURE.

The market price at the mill to-day on schedules carrying 50 per cent under 10 inches is $12 per thousand. Now, it is no trouble for us to secure $14 and $15 per thousand for schedules running to 10 inches and up, but our preference is to sell the larger dimension and the small together at the average price of $12, this would enable us to handle all of our stumpage. We are selling No. 2 common below cost but not at a loss. This grade is selling at the mill to-day for $7 per thousand feet. This is practically what it costs us to manufacture, not putting any value on stumpage.

It is impossible to grade lumber in the standing tree, therefore we bring logs to our mill that will not make better than No. 2 common. We have got at the rate of $3 per thousand invested in a log before we are able to distinguish its grade in the way of logging expense; now, rather than to burn it up and lose the cost of logging, we prefer

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to invest $4 more in it and complete its manufacture and then sell it for $7 per thousand, by doing this we have saved the cost of logging which we have invested in it unintentionally and yet sold it below cost at practically no loss. This is a grade of lumber that Canada could furnish with the tariff removed, at a price that we could not compete with, forcing us to put ours in the slab pit. Taking into consideration the above facts, which can be substantiated, I consider that the retaining of the present tariff is preserving the forests.

THE QUESTION OF A HIGHER TARIFF.

The question was raised in Mr. Tift's examination, if the tariff is a good thing for lumber men why not make it higher? I wish to answer it in this way: To raise the present tariff would naturally increase the price of small dimension and the low-grade lumber. This would naturally encourage home production to the extent of starting numerous small operations on lands that have been denuded of all their large timber years ago and create an overproduction in our home market and work an injury on the preservation of the forests, as the timber lands that would be used in these small operations are lands that were worked out for turpentine and saw mill purposes years ago when the turpentine operators did not box their timber near as small as they have done in the past few years, and the price of lumber did not permit of the sawmill operator cutting his small timber. There are thousands of acres of timbered lands of the above description in the South that the timber is improving on each year that it is left standing.

It might be said that a substantial rise in the price of lumber would have the same effect as to increase the tariff. I contend that it would not, for the rule of supply and demand would govern a rise in price, and it might be high this year and low next year, while the tariff would naturally be supposed to be a fixed condition.

CHEAP LABOR IN THE SOUTH.

Referring to our cheap labor that is used in the manufacture of lumber in the South, I have worked the foreigner in the North, paying him one dollar and a half per day, and the native negro of the South, paying him $1 per day. I could save at least 25 per cent on the same class of work by using the foreigner at $1.50 per day rather than the native negro at $1 per day, if it were possible to get the foreigner; but that is not possible, so we are obliged to use our native negro, which makes our so-called cheap labor of the South the most expensive, as he is not a willing worker, but has to be forced. He has no regard for his position and seems to think he is doing his employer a favor when he does work a day. Their average days' work a month is sixteen. It is plain to see we have no advantages in the way of cheap labor over other parts of the country.

CANADA'S LIMITED LARGE DIMENSION.

In my judgment, Canada produces no lumber but that we could supply from our own forests; while on the other hand, we produce large amounts of high-grade dimension lumber that she can not produce, even for her home consumption. This accounts for Canadian buyers coming to our southern markets for this class of timber.

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Take with this class of timber, our home supply is hardly equal to our home demand: We can not compete with Canada on small dimension, say 8 inches and under, even with the tariff in force, and would be forced out of business if that was all we had to offer; but from the fact that we can furnish the large dimension we are able to make the buyer take our small dimension by averaging the price of the two sizes. This would only apply to dimension lumber and not to dressed stock.

PROPORTIONING OF THE PRICE.

The question might arise, Could we force the buyer to take our small dimension in order for him to get our large dimension with the tariff removed? Possibly we could, but as this would naturally lower the price of small dimension we would have to make the average price proportionately lower, and rather than do this we would prefer to sell him the large dimension at an advanced price and leave the small dimension in the woods.

ONLY REASONABLE PROFIT IN LUMBER.

I can not recall one manufacturer of lumber in the South to-day who has made more than a reasonable interest on his investment. Take with our operations: We have about $300,000 invested; our mills and equipment are the most modern, and we have spared no expense in installing every device possible to produce lumber cheaply, which is about $7 per thousand f.. o. b. mill. This cost does not include cost of stumpage, cost of selling, or plant depreciation, which would amount to $3.50 per thousand feet, making a total cost of $10.50 per thousand, against an average selling price at the mill for the past year of $12 per thousand, leaving a margin of $1.50 per thousand. On our output of 11,000,000 feet for the past year it would amount to $16,500, or a little more than 5 per cent on the investment.

While we have operated the whole year, there were at least 50 per cent of the mills of Florida and Georgia that were obliged to shut down and, in my judgment, had it not been for the existing tariff I do not think there would have been a mill in the two States able to operate.

MILL *v.* STUMPAGE DELIVERY.

Now, the average price at the mill may vary some, as the majority of all lumber in this territory is sold delivered. To base the price at the mill it is necessary to take into consideration fixed charges, such as freight and handling it at port, and the mill that has the least freight to port will have a higher average price per thousand at the mill; but as the price of stumpage is based on the distance from port, the saving to him in freight is consumed in the higher cost in stumpage; so he has practically no advantage over us.

CAPITAL AND TARIFF.

I am a northern man, and 75 per cent of the timber and lumbering operations in this State are owned by northern capitalists, who are men who have always supported the tariff question, and it can not

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be said of this class that they have supported the free-trade issue with their vote and then asked for protection on their products.

In conclusion, I wish to say if there is any further information bearing on this subject that the committee wishes and I am able to furnish it, command me; and I trust the committee will give this matter their most worthy consideration.

Thanking you in advance for your courtesy in the above matter, I am,

Very truly, yours,

S. J. GUNN,
Manager Otter Creek Lumber Co., Otter Creek, Fla.

FOREST PRODUCTS.

J. E. DEFEBAUGH, CHICAGO, ILL., EDITOR OF THE AMERICAN LUMBERMAN, FILES SUPPLEMENTAL BRIEF.

CHICAGO, *February 18, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I wish to present to your honorable body, on the subject of duty on forest products, some facts showing the number and financial character of those who are interested in stumpage and lumber values as affected by the duty and who would be injured if the duty were lowered.

It has been the claim by those favoring the removal of the duty that such action would lower the price of lumber in the United States and decrease the value of standing timber. Such we believe would be the result.

AN ATTACK ON PROPERTY.

It has also been intimated, if not directly stated, that the chief sufferers by the reduction of stumpage values would be sawmill operators and timber owners who have become wealthy by the advance in stumpage; and it is further implied that no consideration is due them, and that such an effect upon the value of their property would be just punishment for their business foresight.

I wish to convince you that, on the contrary, for every rich lumber manufacturer or timber owner who will be injured by reducing or removing the present lumber duty, at least 500 farmers and small real estate owners will be injured in the same way, to say nothing of those who will suffer by disturbance of their business relationship with the lumber industry in other ways.

I wish also to show that the lumber industry is not one for the rich men alone, but for any man who understands it and who is possessed of only small capital; and that, in fact, the greater part of the lumber production is by mills whose requisite capital for construction and operation is from $3,000 to $25,000 only.

AVERAGE SAWMILL IS A SMALL ENTERPRISE.

I would refer you to the report on "the lumber cut of the United States, 1907," compiled by the Bureau of Census in cooperation with the National Forest Service. On page 41, table 46, is a classification

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of sawmills according to the quantity of lumber sawed. This classification applied to 26,934 mills.

15,168 mills cut 50,000 feet and less than 500,000 feet.
4,820 mills cut 500,000 feet and less than 1,000,000 feet.
5,279 mills cut 1,000,000 feet and less than 5,000,000 feet.

25,267 mills cut less than 5,000,000 feet each.

It is a fair assumption that the mills of the first class average 250,000 feet each, of the second class 750,000 feet each, and of the third class 2,500,000 feet each. On that basis of calculation 25,267 sawmills out of the total of 26,934 thus reported produced 20,604,500,000 feet out of the total of 40,256,154,000 feet of lumber cut in the United States in 1907.

AVERAGE ANNUAL PRODUCT.

The average product of the sawmills of the United States during 1907 was 1,395,360 feet. The product of the small mills cutting less than 5,000,000 feet annually and which produced one-half of the total product, cut an average of 819,034 feet each.

AVERAGE DAILY PRODUCT.

Conservatively estimating that the average year of the sawmill is two hundred working days, then the average sawmill of the United States produced 6,977 feet a day, while the little mills, of the class that cut half the product, produced only 4,095 a day.

COST OF THE AVERAGE MILL.

It is usually estimated by lumbermen in planning for operations that the cost of a plant is about $1,000 for each 1,000 feet of daily capacity. The cost is less in a small mill which cuts 5,000 to 10,000 feet a day, but is more in very large mills which cut upward of 50,000 feet a day, because in the latter case large investments have to be made in logging equipment and with pine mills, in dry kilns, planing mills, etc. But assuming that this rough method of estimating is correct—and it is sufficiently so for the purpose—the average sawmill in the United States requires an investment for plant of about $7,000, while the average little mill requires an investment of about $4,000.

I take pleasure in reproducing Table 36 referred to, so far as the totals for the United States are concerned:

Class of mill.	Number.
Sawing 50,000 to 500,000 feet	15,168
Sawing 500,000 to 1,000,000 feet	4,820
Sawing 1,000,000 to 5,000,000 feet	5,279
Sawing less than 5,000,000 feet	25,267
Sawing 5,000,000 to 10,000,000 feet	813
Sawing 10,000,000 to 25,000,000 feet	652
Sawing 25,000,000 to 50,000,000 feet	161
Sawing 50,000,000 to 100,000,000 feet	39
Sawing 100,000,000 feet and over	2

The mill sawing less than 10,000 feet a day is a little mill, as viewed by the lumber industry; their capacity is light and their cost of construction and operation is in proportion. A mill can be bought and

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set up and started running for $4,000 that will cut up to 10,000 feet a day.

The "big mills," so much talked about, are those that cut 100,000 feet or more daily; and there are not more than 500 of them in the entire country.

It is a principle of the statistician that where the number of items runs into the thousands between arbitrarily placed limits an almost absolute average can be determined by dividing a total by the number of items. In the fourth class—the 813 mills cutting 5,000,000 to 10,000,000 feet a year—it will be safe to assume a lower average, say 7,000,000 feet. Including the production of this class with that of the first three classes and we have a total of 26,285,500,000 feet, produced by mills cutting less than 10,000,000 feet annually.

Going back to the first three classes, numbering 25,267, we find that the daily output of the largest of the mills within the limit is 25,000 feet. Few sawmills cutting less than 25,000 feet a day have back of them, to support their future operations, any considerable amount of standing timber. Nearly all such mills purchase their raw material—their logs—as needed, or buy some tract of timber which may suffice for from three months to a year or two.

SIXTEEN HUNDRED AND SIXTY-SEVEN MILLS OF THE TIMBER-OWNING CLASS.

The mills of 25,000,000 feet a year output or more, which are the only mills that as a class have large reserves of standing timber, number only 854. To be entirely fair and to include in the number all the mills that are likely to own timber in large quantities, we add those of 10,000,000 or more output, and have 1,667 in the United States that may be considered timber owners. Many of these do not own timber.

Comparatively few of the mills in western Washington or Oregon, even among the large ones, own timber, but they buy their logs month by month or year by year. Many of the mills above 10,000,000 feet output all over the country supply their current needs by current purchases, but if every one of these 1,667 mills be considered as owning timber the number which falls under the criticisms of the advocates of free lumber is relatively insignificant.

TIMBER SUPPLIES OF THE SMALL MILLS.

The 25,267 mills that own no timber have, as a class if not individually, as assured a future as the larger mills. Possibly a thousand sawmills in the United States are backed by sufficient quantities of timber to insure their operations for ten or twenty years to come, and a few hundred may be able to operate indefinitely by the use of forestry methods; but judging from the history of the lumber business, the continued operation of the little mills on currently bought timber is assured, and experience gives me confidence in the prediction that their half of the product is backed by nearly or quite as much standing timber as that of the larger mills.

OWNERSHIP OF STANDING COMMERCIAL TIMBER.

I believe it entirely within the bounds of fact to state that the standing timber of the United States is held as follows: By the Gov-

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ernment, 20 per cent; by lumber manufacturers and heavy timber owners, 35 per cent; by farmers and small timber owners (classing in the above those who hold less than 1,280 acres), 45 per cent.

WHERE THE LITTLE MILLS ARE LOCATED.

Please note the location of the small mills by the following selection from the table above mentioned; I give only the States in which mills in at least one of these classes number 100:

State.	Total number of mills.	Sawing 50 M to 500 M feet.	Sawing 500 M to 1,000 M feet.	Sawing 1,000 M to 5,000 M feet.
Alabama	880	466	159	198
Arkansas	1,132	499	216	332
Colorado	230	159	29	39
Connecticut	236	140	45	51
Florida	296	103	50	93
Georgia	763	443	145	129
Idaho	240	118	35	66
Illinois	499	439	34	25
Indiana	994	731	138	117
Kentucky	1,436	968	293	145
Louisiana	515	95	71	189
Maine	848	448	162	196
Maryland	293	203	56	27
Massachusetts	511	308	74	124
Michigan	846	456	130	163
Minnesota	388	265	50	28
Mississippi	820	301	116	290
Missouri	908	654	123	118
New Hampshire	544	189	142	187
New Jersey	161	144	11	6
New York	1,382	963	256	143
North Carolina	1,644	880	384	314
Ohio	986	689	195	96
Oregon	609	239	127	179
Pennsylvania	2,065	1,440	375	206
South Carolina	357	168	62	94
Tennessee	1,098	667	219	181
Texas	647	129	83	341
Vermont	570	338	112	116
Virginia	1,513	873	342	255
Washington	714	139	101	274
West Virginia	1,001	557	200	181
Wisconsin	738	366	122	155

It will be observed that the States with the larger number of mills are, for the most part, those lying in the originally timbered sections of the United States. Alabama, Arkansas, Georgia, Indiana, Kentucky, Maine, Michigan, Missouri, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, Washington, West Virginia, and Wisconsin are notable examples. Generally speaking, the small mill predominates in all the territory east of the Mississippi River, and are numerous west of the river in such States as Missouri, Arkansas, and Texas.

BUY LOGS OR TIMBER AT CURRENT STUMPAGE VALUES.

It should be borne in mind that these mills buy their logs at current stumpage values. Many of the larger mills supplement their own timber reserves in this way. Many large mills in the South, particularly those that have been cutting ten years or more, have as much standing timber as ever, without having made any large purchases, simply buying each year enough to keep their mills running that year. These purchases are made from farmers chiefly, yet there are many small investors who have timber to sell.

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My own business puts me in touch with this matter, and I am constantly receiving letters from people who wish to sell some small tract of timber, ranging from 10 acres to a few hundred acres, or from those who wish to make small investments in stumpage. Examine the advertising columns of some of the Washington and Baltimore papers and there will be found many advertisements of farms and plantations for sale, which are almost invariably said to have on them commercial timber.

FARMS AND FARM TIMBER.

According to the last general census, the number of farms in the States east of the Mississippi River is 3,678,538. Adding to this number the farms in Missouri, Arkansas, and Louisiana, States of like condition, and we have a total of 4,258,087. Many lumber men who travel extensively over the country believe that 75 per cent of the farms east of the Mississippi River and in the three States west of the Mississippi, included in the above table, have on them standing timber of commercial value. I think that it is entirely safe to assume, however, that at least 2,000,000 farms east of the Rocky Mountains are more valuable and produce a greater average annual revenue because of the timber growing on them.

I think this statement is extremely conservative, for a similar condition prevails in parts of Texas, Oklahoma, Iowa, Minnesota, and the extreme Northwestern States.

TWO MILLIONS OF FARMERS ARE STUMPAGE OWNERS.

Here, then, are 2,000,000 farmers and an indefinite number of other small real estate holders who are directly interested in maintaining the present values of stumpage.

If, as is claimed, and as I admit to be probable, the removal or reduction of the lumber duty would result in lowering the value of stumpage, the sufferers would not merely be the 2,000 or 3,000, possibly 5,000, sawmill and heavy stumpage owners, but all the small sawmill owners, so far as they are timber holders, and the 2,000,000 or 3,000,000 farmers and small timber owners.

FARMERS GET BENEFIT OF ADVANCES IN STUMPAGE PRICES.

I ask you to consider this further fact, that the current timber or log purchases by the more than 25,000 sawmills, which supply half the lumber product of the United States, are made at current prices; that the farmers and others who sell to these mills secure the benefit of every advance in stumpage values. They are no more entitled, because they are small and relatively poor, to receive an undue measure of protection than are the few large timber owners, yet the removal or reduction of the present too small degree of protection would be as seriously felt by them as by the others.

VALUES OF LUMBER AND STUMPAGE MOVE TOGETHER.

This fact will strike you, that the advance in lumber prices within the last ten years, which has attracted so much public attention, has been reflected in the values of standing timber and that this increment in value has fully accrued to 2,000,000 farmers.

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About one month ago I made an inquiry as to what this advantage has been. I distributed cards headed as follows: "Prices paid at mill or railroad shipping station for small lots of farmers' logs, by the thousand feet b. m., in years named. Averages."

The leading species of wood were included, and the years were 1890, 1895, 1899, 1902, 1906, 1908, and 1909.

I received replies from West Virginia, Kentucky, Tennessee, Arkansas, Ohio, Indiana, Michigan, and Wisconsin, which territory is fairly typical of the eastern part of the country, though I should have been glad to have made a more extensive inquiry.

The returns indicate a fair agreement with the report of the Forest Service as to increase in stumpage values. These values, however, include cost of felling the timber, sawing it into logs, and moving them to the place where they will be taken possession of by the mill men.

It is an interesting fact that some of those of whom I asked this information informed me that such an inquiry might be injurious to their interests, as the farmers already knew too much about the value of timber and logs.

PRICES FARMERS RECEIVE FOR LOGS.

I have averaged the reports on each kind of wood, where they were numerous enough to be of value, and present them in the following table:

Kinds of timber.	1890.	1895.	1899.	1902.	1906.	1908.	1909.
Pine	$7.08	$5.84	$8.84	$9.77	$11.97	$13.50	$14.85
Spruce	4.50	4.59	5.81	7.75	9.35	9.50	9.50
Hemlock	2.62	2.75	3.92	5.10	7.20	8.20	7.80
Oak	6.22	7.22	9.20	11.13	12.96	14.59	14.59
Ash	6.06	6.51	7.72	9.27	11.27	12.18	11.85
Birch	5.83	5.37	5.58	6.71	8.43	8.56	8.68
Beech	4.00	4.37	4.32	4.78	6.50	7.43	7.33
Poplar	8.60	9.15	11.35	15.63	16.70	18.38	18.58
Basswood	6.43	6.40	7.69	9.42	11.39	13.03	12.86

The figures for pine are chiefly from Wisconsin and Michigan, but include some of the Appalachian pine; the spruce figures chiefly from Wisconsin and Michigan; the hemlock figures from the same States, with a few from Kentucky; all the States are represented in oak, but with Wisconsin and Michigan comparatively unimportant; the ash figures are generally distributed; the birch represented is almost entirely from Wisconsin and Michigan; the beech is reported chiefly from Kentucky, Ohio, and Michigan; the poplar from the Appalachian districts, Tennessee, Kentucky, and Ohio; the basswood chiefly from Michigan and Wisconsin.

There are marked variations in the figures. On poplar, for example, the Ohio and Kentucky reports substantially agree on a maximum price of about $30. Two reports named $35 as having prevailed for two or three years. The average is brought down by reports from Wisconsin and Arkansas, where the poplar is not the yellow poplar so valuable in commerce. Oak prices vary from about $11 for the upper part of the lower peninsula of Michigan to as high as $35 for the selected oak bought by an Indiana manufacturer.

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These figures show clearly that the farmer and wood-lot owner and small timber investor has been marketing his timber crop year by year and receiving constantly increasing profit therefor.

There is an open market for timber in the United States, and a high market. Even on the prairies of Kansas, Nebraska, and the Dakotas the farmers' wood lots and shelter tracts of timber are coming to be factors in the local lumber supply, and in every State the farmer with a dozen logs to sell can find a mill that will buy them and pay for them the current and constantly advancing prices. He does not have to sell to a trust or combination, which sets the price for him. The sawmill competition, of which he has the advantage, is unlimited and unrestricted.

MARKETS FOR LOCAL PRODUCTS.

Another feature of this situation which is of interest is the fact that the many thousands of sawmills scattered almost broadcast over the country furnish nearby markets, often at high prices, for the farm products of the neighborhoods in which they are located.

In the more important lumbering sections, where the proportion of land in timber is large, the farmers are often unable to supply the local demand. The mill man has to bring from a distance portions of his supplies, and to the farmer is saved the cost of transportation.

THE SETTLERS GREATLY BENEFIT.

The increase in value of forest products has also assisted in the settlement of once exclusively timbered sections. Thousands of farmers in Michigan, Wisconsin, and Minnesota have paid for their farms, in whole or in large part, by the sale of the timber that the lumbermen left. Many hundreds of these settlers have not only realized in this way the full price they paid for their lands, but in addition have been able, by their winter's work in cleaning up their lands, to support themselves and their families until their lands were cleared and became agriculturally productive.

TIMBER GROWING EVERYWHERE.

This process is going on everywhere, and in addition timber is growing on every farm and reafforestation is an everywhere present fact in all the originally timbered areas of the United States.

This timber is plentiful enough, but not so situated or in such compact bodies as to supply the needs of a great sawmill, but given a value, and with its present value retained by the retention of the duty on lumber, it promises forever to supply the raw material for at least half of the present lumber product of the United States.

THE CHANCES FOR THE POOR MAN.

I trust that in the above, in which I have depended largely upon published statistics, compiled by government agencies, and have drawn inferences which I believe will appeal to the good judgment of every well-informed man, I have demonstrated that the lumber manufacturing industry is not a rich man's business alone, but one into

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which anyone with a capital that would be necessary to establish a corner grocery or drug store in a medium-sized town, provided he have the necessary knowledge of and experience in the business, can enter as freely as the individual or company with millions of capital.

I think I have shown also that the advancing price of stumpage, which has been deplored by some, has been, in proportion to the quantity held, as profitable to millions of small timber-land holders and investors as to the very few thousand large sawmill operators and timber owners.

Incidentally, and aside from the particular subject, I have pointed out the error in so many estimates of the standing timber of the United States resulting from ignoring the small tracts, and have indicated a more hopeful future for our timber supply than usually is prophesied.

Very respectfully, yours,

J. E. DEFEBAUGH,
Editor American Lumberman.

PROTECTION FOR LUMBER.

BRIEF FILED BY THE REPRESENTATIVES OF THE NATIONAL LUMBER ASSOCIATION, REPLYING TO CERTAIN ARGUMENTS FAVORING DUTY-FREE LUMBER.

WASHINGTON, D. C., *February 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Theodore M. Knappen, in one of his supplemental statements, says:

> Rightly or wrongly the Canadians feel that the United States has not treated them in a brotherly way in trade and tariff relations, and they especially resented the imposition of a $2 duty on lumber in 1897. A repeal of the lumber tariff at this time by extending the market of a great Canadian industry might lead to concessions by Canada to the United States, and would in any event tend to stay the rising tide of feeling in Canada in favor of tariff discrimination against the United States.

The above is written by a man who for a number of years has been secretary of the Canadian Immigration Association, composed of companies selling farm lands to citizens of the United States, and colonizing vast areas of western Canadian territory with men representing the brain and brawn of our Central States.

It is needless to call your attention to the fact that Canada represents a market of 6,000,000 or 7,000,000 of people compared with the American market of over 80,000,000. Because of her proximity Canada is one of our best customers and will continue to be.

Mr. Knappen gives no consideration to the great American lumber-manufacturing industry. What, if anything, would this industry receive in return for giving Canada an opportunity to sell in our markets?

THE SCOPE OF THE LUMBER INDUSTRY.

The lumber industry in the United States is national in its scope. Lumbering operations are conducted to a more or less extent in every State and Territory of the Union—is a principal industry in 25 States.

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In 12 States it is the chief industry. There are over 28,000 sawmills in this country, whose annual output exceeds 40,000,000,000 of feet. More than half of this product is manufactured by small mills costing on an average less than $5,000 each. Statistics of the Census Bureau show that 36,000,000,000 of the 40,000,000,000 feet of annual lumber production was manufactured by mills producing less than 25,000,000 feet annually. Mills producing less than this amount are classed as small operations, as some of the larger mills produce more than 100,000,000 feet per year. The lumber business is therefore in the hands of a vast number of operators, whose interests, together with that of their employees, should not be sacrificed for the benefit of the Canadian lumbermen.

It is well to call your attention to the fact that the lumber which the Canadian seeks to dump upon the American market is his low-grade product, as he has a demand at home and for export more than sufficient to take his upper grades of lumber and the greater part of that suitable for ordinary construction purposes. The lower grades of lumber are principally used for the making of boxes, crating packages, etc., which the average American consumer or home builder does not purchase directly. The admission of this class of lumber from Canada would benefit chiefly those manufacturers who use boxes in which to ship their various products. This lumber now comes from Canada, in spite of the $2 duty, in large quantities and constitutes the greater part of the lumber now imported.

CONSERVATION AND THE TARIFF.

Mr. Knappen states:

The tariff on low-grade lumber tends to increase the destruction and cutting of small trees and the consequent destruction of our future forests.

This is directly contrary to the views held by many practical foresters, and is, indeed, a statement not based upon the facts. The way to conserve and husband any article is to make it valuable. When it is cheapened it is not used with the economy necessary to safeguard and preserve it. Foresters tell us that scientific principles of forestry can only be applied to logging operations when standing timber has reached that value where such methods can be adopted without actual loss. The experience of lumbermen in this country during the past few years amply verifies this fact. When it is possible to obtain a profit for low-grade material, that portion of the timber from which this class of stuff is obtained is fully utilized. Where formerly, in some sections, but ten or fifteen thousand feet of timber were obtained from an acre of land, it has been possible to more than double this output when the prices for lumber have been such as to cover the cost of logging the entire tree. In some classes of timber fully 60 per cent of the present output consists of low-grade lumber. This is true, however, only where it is possible to find a market for all classes of products which can be obtained from the raw material. When low-grade lumber can not be sold at a profit it results in a tremendous loss in the available forest resources, and this is shared by labor, transportation lines, and in the decreased purchase of all materials consumed by the lumber manufacturers.

When the top logs, butt logs, and defective pieces are left in the woods because they can not be logged, manufactured, and sold at a

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profit, they rot and burn and are lost forever. Leaving this material in the woods does not perpetuate the forest nor assist the growth of a second crop of timber. Leaving uncut small unprotected trees of the coniferous species, which furnish about three-quarters of our lumber product, does not insure their growth, because when they stand alone unprotected by the larger timber they invariably blow down and in turn are burned up. The inability of the American manufacturer to utilize his raw material to the fullest possible extent not only represents a direct loss to labor engaged in logging the same, but to the American farmer in decreasing the amount of supplies which would be consumed in this operation and to the American railroads in the loss of tonnage.

A manufacturer is obliged to cut enough logs to keep his mill in operation, but when he is unable to convert the poor lots and sell at a profit the low-grade material which they produce, it is necessary for him to cut over a correspondingly larger area in order to stock his mill with that class of logs which he can afford to handle.

This is not idle theory, but is a condition which has been demonstrated by our experiences of the past and which any practical forester can easily verify.

If the lumber duty be removed, thus turning the American markets over to the Canadian mills, which can produce low-grade lumber at a lesser cost than it is manufactured in this country, we shall have to destroy our forests at least 25 per cent faster in order that our operators may obtain the class of timber necessary to keep their mills busy. This would hasten rather than delay the destruction of the American forests and would be an economic waste of stupendous proportions.

TIMBER GROWING MUST BE PROTECTED.

Mr. Knappen states

The raising of timber is not an industry in the United States. The hand of man is not involved.

We contend that the raising of timber should be an industry in this country. Lumbermen would be greatly pleased to adopt such measures as would perpetuate their supplies of raw material, and incidentally their business of manufacturing lumber, but such methods can not be adopted at a loss, no matter how much men may be prompted by sentiment.

The repeal of the present duty, or its material reduction, would postpone the day when methods of reforestation and preservation can be considered.

LUMBER DUTY LOWEST ON TARIFF SCHEDULE.

Mr. Knappen states, "the lumber tariff is not merely $2 a thousand."

He seeks to give the wrong impression as to the amount of the finished product imported into this country. He does not at all refer to the fact that the duty on what are known as timbers, consisting of pieces 8 by 8 inches square and larger, is only 83½ cents per thousand feet.

The duty on rough lumber is $2 per thousand feet, or about 11 per cent ad valorem; and is the only protection afforded the sawmill in-

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dustry. The added duty of 50 cents per thousand for each side of the lumber which is surfaced or finished is entirely a measure protective of American labor, purely for the encouragement of the American industry of planing, matching, and finishing the rough lumber. According to Mr. Knappen's theory this mechanical labor should be done by Canadian workingmen instead of in American planing mills.

WHY NOT PROTECT AMERICAN LABOR?

He again states:

The finished lumber is the raw material of the mill worker. American sash and door manufacturers and mill workers can compete anywhere.

It is only necessary to say that the mill worker always purchases his lumber in the rough and finishes it in the various forms required in his own factory. Mr. Knappen would give the impression that the American sash and door manufacturer usually purchases his lumber surfaced, which is not the truth.

NOT AN ARGUMENT.

Mr. Knappen refers to the fact that only one Minnesota lumberman appeared before your committee in favor of the retention of the lumber tariff. He wishes to convey the impression that the lumbermen of Minnesota have but little interest in the question. The facts are that there was only time for a limited number of representatives to appear before your committee on November 20, 1908, and it was desired that all of the lumber-producing sections of the country should be represented.

The lumbermen of Minnesota are as keenly alive to the detrimental effects which would follow the removal or a material reduction of the existing tariff on their interests and all dependent upon them as are the lumbermen of any other section.

Mr. Knappen quotes an opinion by Mr. Daniel Wells, of the White Pine Lumber Company, of Detroit, Mich., on the low-grade lumber question, who states that Canada should be considered as another State of the Union, and that there should be no tariff wall between the United States and Canada any more than there is between any of our States. Mr. Wells's chief financial interest is in a sawmill and Canadian timber limits, located at Blind River, Ontario. You may draw your own conclusions as to the motive of his testimony.

MOLDING PUBLIC OPINION.

The most remarkable part of the supplemental brief submitted by Mr. Knappen is the newspaper articles quoted by him from the Minneapolis Journal, of November 26 and 27, 1908. These articles stated that Messrs. Hines, Walker, and others were engaged in forming a gigantic white-pine combination to include the Weyerhaueser properties. There was absolutely no truth whatever in these reports, but they were written by Mr. Knappen himself and published by the Minneapolis Journal for the manifest purpose of prejudicing the public against the lumbermen as a class.

Mr. Knappen might have included the third article of this series, also published in the Minneapolis Journal, which stated that a com-

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pany was being organized to control the timber lands of Canada, the United States, and Mexico. The articles quoted by him in his brief are no more true than the last one referred to, which was undoubtedly omitted because the statements were so grossly exaggerated that they would not for one moment be accepted by any member of your committee.

Previous to his employment as secretary of the Canadian Immigration Association, and later as press agent for the Canadian timber interests in their efforts to create public sentiment against the lumber tariff, Mr. Knappen was a reporter on the Minneapolis Journal, and has maintained close personal relations with the staff of that paper, which has been glad to publish many articles written by him in behalf of his present clients. All these grossly exaggerated articles of which he has been the author, the two referred to by him being only samples of many others even more sensational, have been widely disseminated through the papers of the Middle Western and Northwestern States.

"TECHNICAL DUST" ESSENTIAL.

Mr. Knappen has the temerity to say that the questions of railroad rates, competition on low grades, etc., are "technical dust thrown into the eyes of the committee." We consider this a reflection upon the intelligence of your honorable body, who are well aware of the bearing of freight rates upon final prices of commodities.

Mr. Knappen, with the evident intention of misleading your committee, refers almost wholly to white pine. He says:

> Does the committee wish by legislation to impose an additional tax on the consumers of this white pine which will soon be as scarce as the buffalo?

He purposely overlooks the fact that white pine does not represent 10 per cent of the lumber ordinarily used for building material, and is careful not to draw your attention to the fact that yellow pine constitutes 75 per cent or more of the building material consumed in this country.

We direct your attention to the statistics of lumber production for 1907, as compiled jointly by the Forest Service and the Bureau of the Census.

Of a total lumber production of 40,256,154,000 feet, 13,215,185,000 feet was of yellow pine. The total production of white pine, which includes Norway or red pine, and a considerable amount of other species, was 4,192,708,000 feet, or 10.4 per cent of the whole. This was produced by 6,369 mills, located in 28 different States.

Mr. Knappen refers to white pine as a "luxury." We contend that low-grade lumber, of which every species of timber produces a large proportion, especially the hemlock of the Northern States and the yellow pine of the Southern States, not to speak of fir and other woods of the Pacific coast States, is in need of protection from serious competition from Canada.

We have no fear whatever of competition from high-grade white pine, which is largely exported from Canada to foreign markets, or is used for certain special purposes, but which Mr. Knappen would have you believe should receive your first consideration.

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In what he has to say regarding the comparative cost of production of lumber between the United States and Canada, Mr. Knappen submits a statement of wages paid by the Brooks-Scanlon Lumber Company, of Scanlon, Minn. Little comment is necessary on this question. It is well known that the standard of living in this country is somewhat higher than that in Canada among nearly all classes of employees engaged in the lumber business. American labor must be protected in order that it may continue to pay the high cost of foodstuffs and general living expenses if national prosperity is to be continued. Subject American labor to competition with the lower wages paid by other countries and the effect will be quickly felt in all the avenues of business in the United States.

In this connection we would call your attention to the photographs filed with your committee, showing the employment of oriental common labor in the mills of western Canada. The Chinese, Hindus, and Japanese do not receive the same wage scale as is paid the white men, and wherever they are introduced they seriously threaten the American standard of living among wage-earners. It is a significant fact that men employed in woods work in Canada are glad to come to the States for the higher wages paid.

It is true that certain kinds of skilled labor in some mills receive higher wages than are paid in this country, but they are American workingmen who have been taken to Canada for the purpose of quickly establishing lumber industries, and educating the Canadian employees, and receive these high wages as a bonus for removing to a foreign country and living under alien conditions. It is quite significant that the tables of wages paid to various classes of labor in Canada are submitted from those firms in which the witnesses appearing before you favoring the abolition of the tariff are financially interested.

COMPARATIVE PRICES OF COMMODITIES

The statement by Mr. Knappen that lumber is relatively higher than other commodities is misleading. He quotes on page 4373 of the tariff hearings Bulletin No. 75 of the Bureau of Labor, which shows that "lumber and other building materials" have advanced somewhat more than other general commodities for the years 1902 to 1907. "Other building materials" includes a variety of articles, such as cement, steel, brick, stone, etc., some of which are produced by high-priced labor, and a number of which have advanced more than has lumber. In the statement referred to, the high prices are shown in 1907, since when there has been a decline of from 25 to 35 per cent in the prices of lumber, while the prices on many other commodities, especially farm products, show advances over those which prevailed in 1907. The truth is that a bushel of grain of any kind, a hundredweight of live stock, or a team of work horses will purchase more lumber to-day than ever before.

SHINGLE MANUFACTURING CONDITIONS AND CONSERVATION.

In response to Mr. Knappen's reference to the tariff on shingles, we call your attention to the brief submitted by Mr. J. H. Boedel,

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of Bellingham, Wash., showing the importation of shingles last year from Canada to have been 988,000,000 pieces.

There is no sawed forest product into which labor enters so largely in its cost as in the manufacture of shingles. The American shingle manufacturer utilizes a large part of the raw material which would be absolutely wasted were he to be subjected to Canadian competition.

Mr. Knappen says

> The Washington shingle manufacturer can make as good a shingle as is made in British Columbia, but he prefers not to, and asks that he be protected in the production of an inferior article.

The shingle manufacturer of our Northwestern States uses up that portion of the logs which the lumberman is unable to take to the mill, and he therefore acts as a scavenger of the forest, converting into shingles everything that the lumberman is unable to use.

The Canadian shingle manufacturer, cutting timber owned by the government, is able to select the better logs, and the waste of valuable raw material which follows his operations is enormous. He is able to make a better shingle than is the American producer simply because the government is willing to take the loss consequent upon his methods.

The Canadian manufacturer also has a decided advantage because his shingles are packed by Chinamen, who work on a piece basis, netting wages on which the average American laborer can not live.

Mr. Knappen quotes F. L. Meares, of the Olympic Lumber Company, Alaska Building, Seattle, who says that if the American shingle manufacturer were not protected by a tariff he would be obliged to make a better shingle. This is poor logic in view of the decidedly different conditions under which the American and Canadian shingle manufacturers operate, as explained above.

It will be of interest to your committee to know that Mr. Meares is not a manufacturer but is an agent of British Columbia mills, selling Canadian shingles in the United States.

AN AUTHORITY ON CONSERVATION AND THE TARIFF.

Mr. Knappen states that the tariff does not favor forest conservation. We have already clearly demonstrated that the most economic use of the forest can be made when it is possible to conserve it because of its value. In this connection we quote Gen. C. C. Andrews, forestry commissioner of the State of Minnesota, who has for many years been recognized as the dean of the foresters of the United States. He says:

> I do not think the removal of the duty on lumber would conserve American forests. My reason for this opinion is that a large part of the American forest is physically and financially ripe, and would entail loss to the owners if not cut as fast as there is a good market. By financially ripe is meant when the trees cease to earn good interest by their growth. Such forests should then be cut, and where land is nonagricultural should be replaced by new plantations.

If the market conditions are such that the land being cut over will not produce the highest quantity of material possible, then the remainder must be left in the woods in the shape of poor timber and young growing trees. Under these conditions, the latter, unprotected by the surrounding timber and mingled with the litter and débris from logging operations, top logs, branches, etc., are soon destroyed by fire and disease.

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Again to quote Mr. Knappen:

> The testimony of the high-tariff lumbermen on this subject (referring to conservation) then simply resolves itself into a threat that if the tariff is reduced they will leave their cut-over timber lands covered with the débris of the unused portions of the trees.

This is not a threat, but is the statement of an economic fact. When the price of low-grade lumber will not net the manufacturer a sufficient return to enable him to utilize all of the product of the tree, he must leave it in the woods to waste.

No sensible manufacturer will leave in the woods any portion of his raw material from which he can realize a profit. What he may be obliged to leave is not only a loss of resource but is a loss to labor, to the farmer because of the reduced consumption of his products in the operation, a loss to transportation lines, and a loss to posterity.

LOW GRADES—QUANTITY AND USE.

In his comments regarding "percentage of low grades," we can say that this term means nothing unless described, because it is understood differently when applied to different kinds of timber. Generally speaking, "low grade" means lumber ordinarily suitable for boxes, coarse sheathing, etc. As was testified by several witnesses before your committee, Nos. 3, 4, and 5 boards of northern pine constitute about 60 per cent of the product of the sawmills. Only a small portion of the No. 3 product can be used in any way for construction purposes. The Nos. 4 and 5 boards, referred to by other witnesses, constitute about 40 per cent of the total product of the mills sawing northern pine.

Mr. Knappen refers to one of the large Minneapolis mills which from 1896 to 1903 produced only 16.2 per cent of No. 4 and No. 5 boards. This information is undoubtedly based upon a statement of Mr. Arthur R. Rogers, who was formerly a member of the C. A. Smith Lumber Company, of Minneapolis. This was probably correct at the period given, when low prices at which these grades were selling prohibited the manufacture of that portion of the timber which principally produces them. The No. 4 and No. 5 boards obtained at that time were cut from the slabs and defective pieces from the better grade of logs, and the poor logs which produce little less than boards of this type were left in the woods. The proportion of No. 4 and No. 5 boards which has been obtained in the total production of the average northern pine mill for the past five years, during which, with the exception of 1908, the general prosperity has created a large demand for box material, has been 40 per cent.

SAWMILL OPERATION HAS SMALL PROFITS.

Mr. Knappen further states: "During the seven years preceding 1908 the profits from the manufacture of lumber, generally speaking, have been lavish."

It is well known among lumbermen that lumber manufacturers, as such, have never made large profits, the greatest profit arising from their incidental ownership of timber. Hundreds of firms within the time specified have attempted to buy logs on the open market and saw them into lumber, but have found that the profits were not sufficient to justify continued operations. In Minneapolis, where Mr.

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Knappen lives, several sawmill concerns have gone out of business within this period for the reason stated.

Unquestionably the profits which are credited to the lumber business have chiefly been made from the increased valuation of standing timber and hardly without exception those benefited from this fact have held their timber for many years, and are as much entitled to the increased value of their property as are those who have realized profits from enhanced values of farm or city real estate.

Mr. Knappen quotes Chief Forester E. O. Westfall, of the Washington State Reforestry Association, to the effect that the admission of lumber from Canada free of duty would conserve American forests. Against this opinion we again refer you to the opinion of such competent and widely known foresters as Gen. C. C. Andrews, forestry commissioner of Minnesota, and to other equally competent foresters.

In what Mr. Knappen has to say regarding the "California market," he admits the contention of American lumbermen as to the advantage which British Columbia manufacturers have in that market in vessels' freight rates. We invite your attention to the period of the Wilson-Gorman bill when the British Columbia mills practically controlled the entire lumber trade of the State of California.

THE TIMBER HOLDINGS OF THE UNITED STATES.

In concluding his statement Mr. Knappen says that instead of three large interests controlling one-third of the standing timber of this country, as he orally testified before your committee, he finds upon further investigation that about one-fifth of the timber is owned by three great interests.

Had Mr. Knappen pursued his investigations further he would have found that not to exceed 3 per cent of the standing timber of the United States is controlled by any one interest or group of affiliated interests. This fact is beyond dispute and can be verified to the satisfaction of your committee.

What are known as the "Weyerhaueser interests," which taken in the aggregate, though not under one control, constitute the largest group of individual timber-owning companies in the United States, do not own 3 per cent of the standing timber of this country; and if the statement made February 9, 1909, by Mr. R. S. Kellogg, assistant forester of the United States Forest Service, to the effect that the timber of this country amounts to 2,500,000,000,000 feet, be correct, then no other interest in the United States owns to exceed one-quarter of 1 per cent of the standing timber, and those would include the properties of C. A. Smith, T. B. Walker, the Kirby Lumber Company, and others who were mentioned as being very large holders.

We believe it to be true that the standing timber of the United States is divided into holdings about as follows:

	Per cent.
United States Government	20
Sawmill operators and heavy timber investors	35
Small holdings, not manufacturers	45

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To remove or lower the duty on lumber will decrease the value of standing timber and injure not only the actual manufacturers of lumber but the hundreds of thousands of individuals, throughout every section of the country, who own commercial timber in small tracts.

In concluding our comments regarding Mr. Knappen's brief, we think it only necessary, in order to emphasize the prejudice which permeates his testimony, to refer to the admission which he made before your committee when, in reply to a question as to who he represented, he stated, "The National Forest Conservation League," and in explaining its personnel said: "I am mostly it."

Relative to the brief of W. S. Dwinnell, it may be of interest to your committee to know that Mr. Dwinnell is treasurer of the American Timber Holding Company, a $6,000,000 corporation which was organized February 1, controlling timber licenses in British Columbia, and now offering stock to the American public. Mr. Dwinnell is interested with Arthur R. Rogers, M. J. Scanlon, and S. H. Bowman, all of Minneapolis, and to whom he refers in his brief in an effort to substantiate his claims. All of these gentlemen are heavily interested in Canadian timber lands, and are promoters of the American Timber Holding Company, which is being exploited purely on the basis of the removal of the tariff on lumber.

Mr. Dwinnell is not actively engaged in the manufacture of lumber, being an attorney at law. In the main, he attempts to show that the timber of the United States is controlled by a comparatively few individuals. We have illustrated the fallacy of this argument in our reply to the brief filed by Mr. Knappen. The price of standing timber is of interest to all of the people, because the people, entirely apart from the sawmill operators and lumber manufacturers, own the majority of the stumpage of this country.

IMPORTATIONS CONSIST LARGELY OF COMMON LUMBER.

Quoting Mr. Dwinnell:

From the Georgian Bay country there may be, and probably is, some shipments of low-grade lumber, but to my certain knowledge the bulk of the importations from Georgian Bay mills is of high-grade pine. Moreover, the timber in the Georgian Bay country is of limited extent and the life of the mills there of limited duration.

This is not a statement of the facts, because the greater part of the higher grades of lumber produced in Canada is consumed at home and shipped to England. By far the greater part of the lumber imported from Canada to this country is of low grade. The records of the Treasury Department show that fully 80 per cent of the lumber imported from Canada comes from the Georgian Bay and the east thereof, in Ontario and Quebec.

The life of the lumber industry of the Georgian Bay mills on the basis of their present production is calculated by Canadian authorities to be more than fifty years.

HIGH PRICES CONDUCE TO COMPLETE UTILIZATION OF PRODUCT.

Mr. Dwinnell further says:

The waste so often referred to is that of the sawmills, there often being no market for the slabs, shavings, sawdust, and lath, and in the fir mills of the Pacific coast to

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the uninitiated the greatest waste comes from what appears to be a sacrifice of good lumber, which, in point of fact, is so filled with pitch as to be unusable for any known merchantable purpose.

This argument is true except as to pitch, and simply proves that higher prices permit the complete utilization of the raw material.

ADVOCATES OF TARIFF REPEAL INTERESTED IN CANADIAN TIMBER.

Mr. Dwinnell states:

All of the lumbermen appearing before your committee in advocacy of the removal of the tariff were large holders of American timber, and some of them among the largest manufacturers.

It may not be necessary to call your attention to the fact that every one of the gentlemen referred to is largely interested in Canadian timber, and only one of them is a manufacturer conducting large operations.

Indeed all of the briefs and statements which have been filed with your committee in advocacy of the repeal or material reduction of the tariff on lumber have been prepared by men who are in some way connected with the Canadian lumber industry, either manufacturing or selling.

It is also significant that since some of these gentlemen appeared before your committee they have organized the American Timber Holding Company, which holds 1,500,000,000 feet of timber in British Columbia. In addition to that, M. J. Scanlon, president of this company, owns large quantities of timber on the Bahama Islands and on Vancouver Island.

CANADIAN TIMBER BROKER FAVORS FREE LUMBER.

Mr. Dwinnell refers to W. I. Ewart as a timberman who favors the repeal of the duty on lumber. It is well to call your attention to the fact that Mr. Ewart is a timber broker at present engaged in selling licenses issued by the British Columbia government on Canadian timber, and it is common knowledge that he has endeavored to encourage the sale of these licenses by announcing that the removal of the duty would increase the value of Canadian stumpage from $1 to $2 per thousand feet.

CANADIAN STUMPAGE COSTS LESS THAN AMERICAN TIMBER.

Mr. Dwinnell claims that Canadian timber, including the land rents and royalties, is worth as much in accessible localities as is American timber. It is undoubtedly true that original holders of some Canadian timber have paid in a few cases more than was paid by original holders of American timber twenty years ago, but the average American timber owner to-day has paid not less than $3 per thousand feet for his stumpage, whereas the average Canadian timber holder to-day has paid not over 35 cents per thousand feet and assumes no fire risk. The American holder, in addition to having a heavy carrying charge on a larger initial investment, carries a heavy fire risk besides.

At the same period of purchase statistics prove a lesser cost in Canada for timber than in this country, coupled with more favorable taxation and lighter carrying charges, thus each year making a pro-

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portionately less carrying charge and hence a lesser investment to the Canadian operator as compared with the American.

Relative to the supplemental brief submitted by A. R. Rogers relative to lumber, Mr. Rogers mainly seeks to show that the testimony of Edward Hines before your committee relative to the comparative cost of transportation was misleading, when Mr. Hines said that it costs about $7 per thousand feet to ship lumber by rail from Hayward, Wis., to Buffalo, N. Y.

The railroad freight rate from Hayward, Wis., to Buffalo, N. Y., and surrounding territory is 25 cents per hundred pounds. The average weight of rough lumber is from 2,500 to 3,000 pounds per thousand feet, showing conclusively that the freight is from $6 to $7.50 per thousand feet. When rough lumber is worked into flooring, or other similar finished product, it reduces its weight approximately 400 pounds per thousand, but the saving in freight rate by the process is offset by the additional expense of putting the lumber through the planing mill, to which Mr. Rogers has failed to call your attention.

Mr. Rogers seeks to show that the testimony of Mr. Hines with respect to the weights of lumber was erroneous. Mr. Hines's testimony was to the effect that yellow pine timber weighs 4,000 pounds to the thousand feet, and this is verified by the table of weights issued by the Yellow Pine Manufacturers' Association, to which Mr. Rogers himself refers.

Mr. Rogers, in this connection, states that lumber is seldom shipped rough. Timbers of yellow pine, or any other wood, are invariably shipped rough.

ADVANTAGE TAKEN OF A MISUNDERSTANDING.

In the print of the tariff hearings, under the subheading "As to stumpage values," Mr. Rogers takes advantage of a very evident and unintentional error in Mr. Hines's testimony to place him in the wrong light. Mr. Clark asked:

"Is the lumber output, if you want to call it that, greater in the United States now than it was, for instance, in 1897?"

"No, sir," was Mr. Hines's reply.

"Is it smaller?" asked Mr. Clark, to which Mr. Hines replied:

"It must necessarily be smaller by the amount which has been cut."

It is evident from the above that Mr. Hines misunderstood Mr. Clark's question, as his reply referred to the amount of standing timber and not to the amount cut, which Mr. Rogers himself must have understood when reading the record.

THE EVIDENT FALLACY OF THE FREE-LUMBER ARGUMENTS.

The brief of Mr. Rogers, together with the statements and briefs submitted by his associates, endeavor to show from the comparative statements of wages paid in this country and in Canada, from the statements regarding relative costs of farm supplies and the value of standing timber, that the cost of producing lumber in Canada is as much, if not more, than it is in the United States.

In this case no doubt your committee can arrive at but one conclusion, namely: If it costs more money to produce lumber in Canada

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than in the United States, how can the American consumer hope to derive any benefit from the importations of free lumber from that country? The admission of lumber from Canada free of duty, or under a reduction in the existing tariff, under those conditions, would not reduce the price to the American consumer and would deprive our Government of a much-needed revenue.

NATIONAL LUMBER MANUFACTURERS' ASSOCIATION.

By board of governors:

EDWARD HINES.
WILLIAM IRVINE.
J. B. WHITE.
GEO. K. SMITH, *Secretary.*

FREE CANADIAN LUMBER.

THE WOLVERINE CEDAR AND LUMBER COMPANY, MENOMINEE, MICH., THINKS FREE CANADIAN LUMBER WILL BENEFIT MANY AND HURT NO ONE.

MENOMINEE, MICH., *February 20, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

GENTLEMEN: We notice a great deal of discussion going on in the newspapers and periodicals, particularly the American Lumberman, of Chicago, regarding the proposed tariff reduction on lumber. The editor of the American Lumberman is probably influenced by his holdings of yellow pine, as we understand he is quite largely interested in a manufacturing plant down South.

The writer is familiar with the cost of production in Canada and on the north shore of Georgian Bay; the logging bill is from $10 to $12 per M feet; that is, the cost of getting the logs to the stream or railroad. There are no logging railroads in that vicinity, however, as it is too rocky to permit of railroads being built, but the general method is to put them in the river and drive them down to the bay and tow them to the mills. The cost of labor also is high, if not higher, and supplies are about the same.

Against the above is the cost of logging in the South, which is about $2 to $3 per 1,000 feet for railroading the logs to the mill. The mills of Washington are flooding the Prairie States east of Moosejaw in British Columbia and Alberta with their lumber, to the detriment of the British Columbia lumberman, and there are millions of feet of Wisconsin hemlock shipped every year into western Ontario around London, Ingersal, and Dorchester. Yellow pine is finding its way up into Muskota, Ottawa, Montreal, and Toronto, so we fail to see why the Canadians should be expected to take our lumber free when there is a duty against their lumber. In our opinion it will make no difference whatever in the price of yellow pine product, any more than it might prohibit some multimillionaire who got for little or nothing or by other means than fair a million or two dollars' worth of timber from cutting that said timber and flooding the market to the detriment of the other lumbermen who go into the market and pay for their stumpage what it is worth.

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The above is our opinion. Our timber holdings are largely on the Escanaba and Lake Superior Railroad in Northland, Mich., and we expect to get just as much if not more for our material if the duty on Canadian timber is removed as we do now.

Yours, truly,

WOLVERINE CEDAR AND LUMBER CO.,
Per THOMPSON.

FOREST CONSERVATION.

GIFFORD PINCHOT, CHIEF OF FOREST SERVICE OF THE UNITED STATES, MAKES STATEMENT TO SUBCOMMITTEE RELATIVE TO CONSERVATION OF FORESTS.

WEDNESDAY, *February 24, 1909.*

Q. * * * Concerning the very important question of the preservation of the American forests, I suggested to one of the witnesses that our natural American supply was diminishing, and it seemed to develop that Canada would be almost our exclusive source of supply, and it then developed that the plan for conserving the American forests would lead to a much more speedy denuding of the Canadian forests, and the suggestion was made that any plan of conservation of forests would be inadequate if we did not take into consideration the preservation of the Canadian supply; in other words, there was a mutual interest in the adjoining countries in doing what was necessary for forest preservation, and that seemed to be assented to. I would like to have your opinion on that subject.—A. It is rather interesting that late last night a conference between the United States, Canada, and Mexico on the conservation of natural resources ended its work and signed a declaration of principles, in which the delegates of the three countries united in a very strong statement as to the necessity of forest conservation in general, so that I am fully of the opinion that any plan for the conservation of forests in the United States ought to be attended, so far as it can be attended, by agreement between the three nations, covering the territory of each of the three nations, assisted by the people from each of the others.

Q. What is being done by the three governments toward bringing about such an end?—A. This is the first step in this direction, and what will happen will be that the conclusions reached by this conference will be laid before the three governments, and then it will be a question of their acting. A particular recommendation is for the appointment of a permanent conservation commission in each country.

Q. What advance is being made by the lumbermen themselves in this matter of conservation of the forests?—A. Very little. When the white men first came into this country, we had about 850,000,000 acres of forests; we now have about 550,000,000. Of that 550,000,000 there are about 200,000,000 acres of mature forests in which growth is offset by death and decay. There are 250,000,000 acres which is reproducing fully enough to produce a fair second crop, and 100,000,000 acres which will not yield another crop without forest planting. That, of course, is a very rough figure. As to the growth

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on the total area of forest land in this country it is estimated at about 12 cubic feet per acre per annum. That is because so much of the forest is in bad condition. There probably would be 40 cubic feet per acre per annum if our forests were properly handled. We are cutting timber three and one-half times as fast as we grow it, and this is very rapidly reducing the supply. Of all the forests in the United States about one-fourth of the acreage is held by the nation and the States and three-fourths in private ownership. This three-fourths contains about four-fifths of the standing timber. It is safe to say that not to exceed 1 per cent of the privately owned timber is being handled in a conservative way; the rest is being cut without any reference to the future. About 18 per cent of the whole area, including the national and state forests, is being handled in a conservative way. This means, briefly, that although our forests at present are producing only one-third of what we use, we are still taking no thought of the future and are allowing them to be destroyed, practically unchecked, except for the one-fourth of the total area that is in the government or state ownership, so that the forest situation is a most serious one. We use four or five times as much timber per capita as the other large nations. Our whole civilization has been accustomed to an enormous use of wood, and when the shortage comes, as it is coming, it is going to be a very serious one. The destruction of our forests will also have a very serious effect upon our water supply.

We estimate now that there is in the neighborhood of 2,500,000,000,000 feet of timber in the United States and that the total use of wood for all purposes is about 100,000,000,000 feet a year. At that rate our forests would be exhausted in about twenty-five years. As a matter of fact they will not be exhausted in that time because of the growth which will take place and a lessened consumption caused by higher prices; but there is no question in my mind that we are approaching very rapidly a position where we are going to suffer as a nation very seriously from a shortage of wood.

Q. In that connection it has also developed in the oral hearings that in Great Britain and on the Continent of Europe it is almost impossible to see what we call a "frame house" or any fence dividing line constructed of lumber. What part in the annual consumption of lumber is borne by house and structural building and fencing in the United States? In other words, how great a change would it make if we followed in the European way in building our structures of brick and stone?—A. It probably would make very little change in the total consumption. The history of the matter has been that as substitutes for wood come in they have failed entirely to reduce the consumption; I do not mean the per capita consumption, but the total consumption. There is vastly more lumber used now, when many of our structures are of iron and steel, than when all were built of wood. There is vastly more used now in building ships than when the whole ship was built of wood. I do not anticipate that total exhaustion will come, but we shall certainly have a very serious timber famine. I think it will make very little difference to the consumer whether he is restricted in the use of wood by the absence of wood or by an excessively high price.

My judgment is that free lumber under present conditions would have practically no effect on the price to the consumer.

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Q. How do you figure that?—A. I believe the Canadian stumpage holder and manufacturer and the dealer in the United States would practically take up all the profits, so that whatever benefit resulted would not come to the man who finally used the lumber.

I have no definite figures as to the amount of Canadian stumpage owned or controlled by leases, etc. I think that in British Columbia perhaps half of the timber that is under leases is held by men from the United States, not more than half is my best judgment; it has been stated by some to be four-fifths, but the best information we can get is not more than half.

Q. How in the rest of Canada?—A. I do not think the proportion is nearly as large; I would not attempt to put in percentage; there is considerable held in Ontario and Quebec.

Q. It appeared that the price of stumpage had increased very rapidly in the last few years in the United States, and I ask you what the effect the removal of the duty on lumber would be, whether it would operate as a check on that increase?—A. So far as it had any effect, it would operate as a check to that increase, but I do not believe the effect would be large.

As things go now, of every thousand feet of timber standing in the forest the quantity which actually goes into use is about 320 feet, and the rest is waste of different kinds—about two-thirds waste. About one-fourth of the standing timber that might be used is wasted in the woods. That waste consists, of course, of the low-grade stuff, defective logs, etc. There are two ways of increasing our timber supply: One by saving what we have and getting all we can out of it, and the other by practicing forestry—using our forest lands to grow wood. If prices rise so that it pays to get out the low-grade logs, there will be a very considerable increase in the amount of timber cut from a given area. If prices sink so that low-grade logs can not be gotten out, the area cut over will probably be larger, but there will be a large percentage of logs left in the woods. Therefore a low price of lumber does not tend to forest conservation. We can not reproduce the standing timber at the present price of stumpage over a very large part of the United States. I think there can be no doubt that a very low price of lumber does not tend to forest conservation. I do not believe it will be possible again for us to have as low-priced lumber as in the past. I do believe that with the rapid destruction of our forests the price will rapidly rise. The lumbermen are persuaded, either rightly or wrongly, that their destruction lies in the reduction of the tariff. My personal opinion is that the effect upon them would be slight and temporary. I do not believe that the conservation of the forests requires a reduction of the tariff, or would be aided by a reduction of the tariff.

Q. If the result of taking off the tariff on lumber should be a large importation of the cheaper grades of lumber from Canada to fill the place of cheaper grades of American lumber, the result would necessarily be a leaving of a great deal of the smaller portions of the cut trees in the woods that are now taken out of the woods?—A. So far as it had any effect on the price that would be the effect.

Q. Would that not increase the danger of forest fires and the destruction of the timber by such fires?—A. It would.

Q. I understand it is expected by forestry experts that clean lumbering tends to the reduction of the danger of forest fires.—A. It does.

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Q. So that if the argument of these people who are in the lumber business be correct, that the removal of the tariff will lead to importations from Canada which will largely supplant the lower grade of American lumber, the tendency would be toward forest destruction, if they are correct in their theory of what would happen?—A. It would tend not so much toward forest destruction as to the waste of our standing timber. To grow timber a man must be reasonably safe against fire and the fixed charges must be reduced to a point where he can make a profit. The greatest charge at present is taxes. I have known cases in Minnesota where the tax was 6 per cent on a fair valuation of the timber. That means that the owner must cut down the timber and get rid of it just as soon as he can. One of the compelling reasons why lumbermen do not practice forestry is the present bad system of taxation. We have recommended that the land be taxed separately, and that the timber be taxed separately. Now they tax the whole thing as timber land at a very high rate, and in order to save himself the owner has to cut the timber off.

Q. While there is no real provision of law in Washington and Mississippi, they are there assessing the timber separately from the land where the timber is owned separately.—A. It is a question whether that can be done, whether if you own the timber and I own the fee, and you pay the taxes on the timber and I fail to pay on the fee, the question whether my fee to the land does not carry with it your fee to the timber.

Q. Do you know what the system is in Pennsylvania?—A. The land and timber are taxed together.

Q. The question of tariff would not have much to do with state taxes?—A. No.

Q. Suppose the lumbermen are right, and the removal of this tax of $2 should bring a flood of lumber in from Canada, would it help supply our demand?—A. It would help supply our demand, but if it led to a greater waste of our forests it would retard our getting a permanent timber supply of our own.

Q. If you are right in the assumption that the removal of the duty would have no effect upon the price, they would have the same incentive still to take care of the low-grade lumber, whether from Canada or the United States, so that would not be a very important factor.—A. Yes.

Q. These lumbermen admitted that the removal of the duty would make no appreciable difference on the price of lumber?—A. I do not think it would make any difference to the consumer; a very little to the stumpage owner. My guess has been that the demand for the reduction of the tariff has not been so much from men who wanted a reduction of price to the consumer as from a general idea that the removal of the tariff would tend to forest conservation. The origin of the thing, I think, lies in a desire to save the forests rather than in a desire to affect the price. The lumbermen of the United States have gone right ahead cutting their timber without reference to the future, and if we are not to have a great calamity from lack of timber that has got to be stopped. It seems to me that the tariff question is subordinate to this great question of getting our forests saved. The lumbermen now say, and have said for a great many years, that they are anxious for forestry. It seems to me it is the duty of the lumbermen to assist in bringing about systems of fire

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protection, wiser taxation, etc., which will save the forests, and if they do not do it voluntarily, then the nation and States must either force the lumbermen to conserve the forests or do it themselves.

Q. What percentage of the standing timber in private ownership is held by lumber companies and corporations for speculation?—A. I do not know. It is a considerable percentage; there has been an investigation by the Bureau of Corporations, and I think the figures are not complete yet. It is an increasing percentage, in my judgment.

Q. Describe what you mean by low-grade lumber.—A. You take a 24-inch tree in the woods; cut that tree down; say there are four logs in it. The first log will produce the largest amount of clear lumber, the second a smaller percentage, and the third a large percentage of common lumber, and the fourth still poorer lumber. The cost of logging 1,000 feet of clear lumber as compared with 1,000 feet of common lumber is the same in the woods; cost of sawing is the same. At certain prices it will pay to take out two logs, because the third log will not pay the cost of logging and sawing. At higher prices you would take three logs. That is an exact illustration, I think, of the way the price affects the waste in the woods. So the lower priced lumber is, the more logs would be allowed to remain to rot or burn.

Q. Do you think the time has not arrived when the whole tree is taken out?—A. Over a large part of the United States it has not; there is a great deal of waste in the South and West yet.

Q. In the last fifteen years the price of the lower grade of lumber has advanced from $10 to $20 a thousand; at $20 a thousand there is a good profit in taking the common grades and shipping it to any part of the United States?—A. I think that is a price to the consumer and not to the manufacturer, but the price the manufacturer gets decides what he can take out.

Q. Do you assume that the advance of 100 per cent has not had the effect of taking the entire tree to be cut up into merchantable shape and that we have not reached the point where low grades are all consumed?—A. I think not. There has not been an advance of 100 per cent in the price received by the manufacturer.

Q. There has been a new factor coming in in the production of paper; what effect has that had on the price?—A. It is limited so far, almost entirely to one or two species, and has had no effect on ordinary logging. I mean it has had very little effect on the method of ordinary logging. The total consumption for paper is very small. I want to make clear the difference between saving waste and growing forests. What the lumbermen have spoken of mainly was saving the waste.

Q. The higher the price of lumber goes, the more rapidly it is cut off?—A. I think not.

Q. What inducement has the lumbermen to hold logs in the face of very high prices?—A. There is certain amount of capital invested in mills now. That capital, if it is allowed to lie idle, involves a very large loss. It pays a man better to keep his mill running, even at a small loss. Therefore the change of price does not have as rapid effect as it otherwise would have. A man who would otherwise shut down his mill simply leaves a few logs in the woods, and takes out from each tree the best and fewer logs. The lumbermen take from the tree now everything that they can get out at a profit; no doubt

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about that. There is a great deal of waste left in the woods. As the price rises it will pay to market the standing timber much more closely; they can then use the low-grade lumber. We do not begin to use our forests anything like as closely as they do in Europe; I mean as to what we leave in the woods. The brush is the greatest source of fire danger. If the stumpage owner gets 50 cents more from the logs than he otherwise would, he can afford to put a larger part of that into the disposal of the brush than he could if the margin was small.

Q. Then your argument would tend toward a higher duty to prevent importation?—A. I think the trend, whether there is addition to the tariff or not, is toward higher prices; that nothing will prevent it, not even taking the tariff off.

Q. You have been investigating for some two or three years the question of trusts or combinations on lumber; state what you have found.—A. I can not state what the Bureau of Corporations has found, but my own conclusion is purely of a negative nature. I have not now and never have had any evidence of a lumber trust. My information does not lead me to believe that there is any great lumber trust.

Q. The high price prevailing at the retail yards is not due to the high price of lumber at the point of manufacture?—A. You ask there one of the most difficult of all the questions; the relation between the manufacturers, retailers, and line yards is one of the things I do not understand. The Bureau of Corporations is investigating them and have not yet reached a conclusion, and I have no information sufficient to permit me to speak about it. Whether there are combinations to affect the price in restricted localities or not I do not know. I do not think the situation is at present such as to make possible a lumber trust affecting the whole United States. It is true that a large number of capitalists have been engaged during the last few years buying up the stumpage. There is no question but that a greater profit has been made from rises in stumpage prices than from the manufacture of lumber.

Q. Then your position is there is no hope for the ultimate consumer?—A. I do not think that he will ever get lumber much cheaper than he does now.

Q. If you were a member of this committee, would you vote to leave the tariff on as it is, to reduce it to $1, or make it free?—A. Personally I would be in favor of letting the tariff alone. I believe the best results, all things considered, will follow if it is allowed to remain as it is.

Q. What effect would it have on the price of lumber in the United States if the Canadian supply was stopped?—A. The Canadian supply is only about 5 per cent; less than 5 per cent is imported.

Q. You do not mean to say that the Canadian supply is 5 per cent?—A. Less than 5 per cent.

Q. I am speaking of the marketable commodity; is it not larger than 5 per cent?—A. I understand not. The total annual importation is less than a billion feet of lumber now; we cut forty billion feet from our own forests. Were the importations of lumber from Canada to be doubled with free lumber they would then amount to only 5 per cent of our own cut.

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Q. An important element in forest conservation, from your standpoint, is to make the price of lumber so high as will pay the lumbermen to reforest?—A. That is an important element. If the duty was removed from lumber it probably would not affect the price to the consumer. If it had any effect it would be a slight reduction in the price that the stumpage holder—the man who owns the timber land—gets for his timber.

Q. If the price here was the same, it seems to me that the value of stumpage would remain the same?—A. I think there would be very little change one way or the other.

Q. You are of the opinion that it costs substantially as much to produce lumber in Canada as in the United States?—A. Substantially, yes.

Q. What effect would an increased tariff have?—A. If it worked as usual, it would raise the price of lumber. I do not think the consumer is ever going to get cheaper lumber, unless in a panic.

Q. At one time your opinion was that the conservation of spruce timber in this country could be obtained by allowing wood pulp and print paper to come in at a lower rate of duty?—A. I am in a rather unfortunate position to answer that question. I have not taken that matter up again, but shall take it up within the next week.

Q. We cut timber only for profit; is there any place in the world where they grow timber for profit?—A. Yes.

Q. Is there any place where they grow timber for profit unless their cutting is regulated by the Government?—A. Yes; England, France, Germany, etc., all over Europe.

BASKETS.

[Paragraph 206.]

NEW YORK IMPORTERS AND MANUFACTURERS OF BASKETS AND WILLOW WARE ASK A SPECIFIC CLASSIFICATION.

NEW YORK CITY, *February 6, 1909.*

TO THE COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned importers and manufacturers of baskets and willow ware, desire to be heard in favor of a moderate and equitable rate of duty upon baskets and the raw material for baskets.

We would, first of all, call attention to the urgent necessity of providing for a uniform rate of duty upon baskets. Under the present act, and, indeed, under all tariff acts since the repeal of the act of 1883, baskets have paid duty as manufactures of the material of which they were composed. Under the Dingley Act, for example. manufactures of the different materials take different rates of duty. Thus, to illustrate, baskets composed of straw pay a duty of 30 per cent under paragraph 449 as manufactures of straw. Baskets composed of chip take the same rate under the same paragraph. On the other hand, baskets composed of willow pay 40 per cent ad valorem under paragraph 206 as manufactures of willow. It is a well-known

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fact, under the development of the basket industry, that baskets are composed in part of one material and in part of another. It is not unusual to find one composed of several materials. Great difficulty is found by the classifying officials, and, indeed, by experts in the trade, in determining the component material of chief value. The result has been much controversy, litigation, and annoyance, which could all be obviated by a uniform rate for baskets. We strongly urge upon this committee a return to the policy of the act of 1883, which contained this provision, known as paragraph 395:

Baskets and all other articles composed of grass, osier, palm leaf, whalebone, or willow, or straw, not specially enumerated or provided for in this act, thirty per centum ad valorem.

There would seem to be no sound reason for not providing for such a well-known article of commerce specifically.

Osier, or willow, prepared for basket makers' use is a well-known article of commerce, which under the present act is provided for under paragraph 206 at 20 per cent ad valorem. It is the raw material which is absolutely necessary to manufacturers of baskets, and as such is indispensable. We understand that representations have been made to this committee alleging the necessity for the imposition of a high rate of duty upon this material, on the ground that excessive protection is needed to build up what is now conceded to be a scarcely existing industry. We are informed that a rate of 50 per cent ad valorem has been suggested upon peeled willow. Such a rate would be harsh and absolutely destructive. The American variety of willow is not adapted for use in making the superior grade of baskets. The area producing such osier, or willow, is limited practically to certain lowland sections in France and Germany. The imported willow has a peculiar fiber and quality, due doubtless to the soil and climate, which the native willow utterly lacks. We append to this petition three letters from well-known manufacturers of willow ware, which corroborate and emphasize these assertions. We commend them earnestly to serious consideration as the practical statements of practical men who speak from experience. We submit that instead of imposing what would practically be a prohibitive rate of duty upon this necessary raw material, the same quality of which experience has shown can not be grown in this country, would not only impose a needless burden upon American manufacturers of baskets, but also result in a serious shrinkage of revenue.

The highest rate imposed upon any grade of baskets for many years has been the present rate of 40 per cent on willow baskets. Under the present act baskets of straw, as above pointed out, pay 30 per cent. Under the act of 1894 baskets paid a practically uniform rate of 25 per cent, the rate for manufactures of willow, chip, straw, etc., happening to be the same. We would suggest as fair and equitable to all parties a return to this rate, and a special provision for osier or willow prepared for basket makers' use at 15 per cent ad valorem. It should not be overlooked in this connection that the finer grades of baskets and fancy baskets in general make up the great bulk of those imported. They are not, and can not be, made in this country. We have not got the workmen.

We strenuously deny that "importers are allowed to make their own valuation on willows and baskets." Such goods are subjected to the same supervision as other varieties of merchandise. There

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has been no undervaluation, and no official complaint of undervaluation. The volume of importations has, indeed, scarcely kept pace with the increase in population. It is absolutely absurd to multiply the value of importations for one year by three, on the ground that the invoice prices "are often only one-third of the original price." Such assertions are flagrantly misleading, and have no foundation in facts.

We suggest in the new tariff a provision substantially as follows:

Baskets composed of grass, osier, palm leaf, willow, chip, straw, or other vegetable fiber, or of which these substances or either of them is the component material of chief value, twenty-five per centum ad valorem.

Osier or willow prepared for basket makers' use, fifteen per centum ad valorem.

Respectfully,

CHARLES ZINN & CO.,
138–140 Grand street, New York.

A. LEIPZIG (INC.),
426 Broome street, New York.

KRAUSS & CO.,
11 and 13 W. Houston street, New York.

THE BASKET IMPORTING CO. (INC.),
139 Duane street, New York.

EXHIBIT A.

138 AND 140 GRAND STREET,
New York, February 4, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We, Charles Zinn & Co., as the largest importers of willows, are approached by the undersigned New York manufacturers of willow furniture, to protest to your honorable body against an increase of duty on imported French and German willows.

The reasons are as follows: The United States grows only about 40 per cent of the willows consumed by manufacturers in this country, and we are compelled to buy in Europe the qualities of willows which are principally used for manufacturing furniture. The willows that grow in different sections of the United States are consumed in those sections and are by far not enough for their immediate needs, as we can show by sales of imported willows to the manufacturers in all the individual States in the United States. The willows that are produced in this country are cheaper than any good quality French or German willow, nevertheless the manufacturer can not get along without French or German willows.

The willow growers in this country will not be able to produce in the next ten years one-half of the raw material that will be needed by the manufacturer of willow goods.

On the above grounds we respectfully submit that a lower tariff on imported French and German willows will work toward the upbuilding of willow ware manufacturing in this country, while a higher tariff will drive the best established factories out of existence. Therefore we ask for a reduction of the tariff on raw material (willows) to 10 per cent.

CHARLES ZINN & CO.,
138–140 Grand Street, New York City.

THE PAHLOW REED & WILLOW MFG. CO.,
128 West Thirty-third Street.

M. FRAENKEL, *Treasurer.*

ALBERT SPESHING,
354 Third Avenue.

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EXHIBIT B.

NEW YORK, *February 4, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: At the invitation of Messrs. Charles Zinn & Co., of New York City, we are pleased to place before your committee some facts regarding willows taken from practical everyday experience in our shops.

The willows grown in this country, which we try from time to time, are entirely inadequate to our needs. They weigh much heavier than the French or German willows, that is, there are many less willows to the pound, and the small sizes, especially, are so far inferior to the imported willows that we have actually never been able to use them for our purposes. The French and German willows are also far easier for the workmen to handle, being less tough and more pliable, and we have found finally that our goods are of much better workmanship, and therefore of better appearance (which is one of our aims in manufacturing) when made of the imported willows.

Speaking for ourselves, we should prefer and earnestly hope for a decrease in the rate from the present tariff, certainly no increase, especially at the present time when the raw material grown in this country is so far inferior to the imported as to almost place them in separate classes.

We manufacture all of our products in this country, and with the price of good willows constantly soaring in European markets, an increase in the rate of duty on the raw material would certainly curtail our production of merchandise, as well as consumption of willows, forcing the prices of our finished products beyond an equitable value.

We look to your committee for a just protection of ourselves as manufacturers, and solemnly believe that any change to a higher tariff on imported willows will tend to greatly diminish the output of the industry in which our company is engaged, a result which we are confident your committee does not wish to obtain.

We shall consider it a privilege to place before your honorable body any further information we may be capable of giving you, and remain,

Very respectfully, yours,

THE PAHLOW REED AND WILLOW MFG. CO.,
A. F. HEURNANEY, *Secretary.*

CHAIR CANE AND REEDS.

[Paragraphs 206 and 700.]

THE AMERICAN RATTAN AND REED MANUFACTURING COMPANY BROOKLYN, N. Y., SUBMITS STATEMENT RELATIVE TO TRANSPORTATION OF RAW MATERIAL.

CORNER NORMAN AND KINGSLAND AVENUES,
Brooklyn, N. Y., January 16, 1909.

Hon. SERENO E. PAYNE,
House of Representatives, Washington, D. C.

DEAR SIR: Confirming our respects of November 18, 1908, in re tariff, chair cane, reeds, etc., a subject has just come to our notice which we have been trying to do something with for the past year, and which is doomed to failure. This is the transportation of our raw material from the East. We find that owing to no shipping facilities, having no direct steamers, that the German-Australian Line, and also the Dutch Line are now having their steamers regularly stop at all the small Islands in Java, Celebes, Sumatra, and Borneo, wherever they can collect any cargo, and are taking this cargo direct to Europe; and owing to our not having transportation facilities direct they ask us to pay an additional 25 shillings per ton to New York, which means an enormous freight rate. This extra freight rate prohibits us from

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handling this class of stock and which the German manufacturer receives at a very low rate of freight, and is then able to place this stock in this country at the present ridiculous tariff, which is really no tariff, as 50 per cent of the manufacture from this stock comes in free, and the other 50 per cent pays the ridiculous low tariff of 10 per cent on the declared value whatever that may be.

We understand that many thousands of tons of this rattan from the Celebes Islands are shipped annually into Germany, and we have no facilities for meeting this competition.

We also wish to say that at the present time considerable stock is now coming from the Chinese port of Canton, shipped via Hongkong, and we find that about 4,000 tons of raw material has gone into China from which they manufacture the Chinese reed, which comes to this country and pays a duty of 10 per cent. This class of stock is mostly shipped from the Celebes on native craft, or other craft, which go to Hongkong.

We could not embody this in our former letter of November 18, 1908, owing to the fact that we were not as yet fully acquainted with the above facts.

We furthermore understand that through the efforts of the resident agents in this country of the German and Chinese factories, that a petition has been circulated through the trade or consumers of reeds, chair cane, etc., requesting your commission to give no relief to we American manufacturers. We have not seen this petition, nor heard of its contents, but we presume that is the purport of it, and no doubt many signatures were obtained for this petition, irrespective of any justice in the subject-matter; as when a petition of this nature is circulated under these conditions, all the consumers will naturally sign it, fearing that if proper relief is afforded to the industry that he may have to pay a slight advance; but it has always been evidenced whenever this slight advance has been made in order to protect home industries that the consumer raised his price considerably more than the advance that he may have to pay.

We know as a fact that the manufacturers of chairs who use chair cane for the seat of the chair, whenever the price has been raised for this chair cane, he advances the price on the whole chair; so not alone is the advance in the chair cane (which only goes into the seat of the chair) returned to him, but he also makes an extra profit upon the other part of the chair, which is all wood. The same also applies to whips, baskets, and go-carts, and all other articles wherein this product is used.

We understand that the petition above referred to has been signed by manufacturers of whips, baskets, rattan furniture, etc., and we certainly believe the above manufacturers would find it very distasteful if the German and Chinese manufacturers of their products were allowed to place these articles in this country at almost no duty, which we consider is the case with our product to-day.

We have always considered in the framing of a tariff that same was done in an impartial manner, and without respect to biased petitions, etc., which petition will naturally be signed by any number of consumers, as in the case above referred to. We simply have stated our case and rely upon your honorable Ways and Means Committee to afford us the relief which we are entitled to as American manufacturers.

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Our ideas of tariff, exactly coincide with the statement by our worthy President-elect in Danville, Va., of December 17, 1908, and which distinctly states "that the measure of the tariff should be the difference between the cost of production of the article in this country, and such cost abroad, and in the estimate of the cost of products here, there should be included, among other elements, what is regarded in each place, as a reasonable manufacturers' profit."

All we ask for is a fair tariff; we do not wish any exorbitant profit, which, in our ideas, would be foolish, as there is enough home competition to destroy any idea of an exorbitant profit; but under present conditions, we can not exist, and unless relief is afforded, we will either have to close up our works or go abroad and manufacture, and send the manufactured product into this country, as it seems Germany takes better care of their industries than the United States.

Very truly, yours,

AMERICAN RATTAN AND REED MANUFACTURING CO.
JAS. SALOMON, *Secretary.*

THE AMERICAN RATTAN AND REED MANUFACTURING COMPANY, BROOKLYN, N. Y., SUBMITS INFORMATION RELATIVE TO COST OF LABOR IN GERMAN RATTAN FACTORIES.

CORNER NORMAN AND KINGSLAND AVENUES,
Brooklyn, N. Y., January 27, 1909.

Hon. JOHN DALZELL,
House of Representatives, Washington, D. C.

DEAR SIR: We have just received advice from Germany from an undoubted authority what the German rattan factories are paying their help at present. These advices show that they are paying their men from 20 marks to 22 marks weekly, which would equal $5 to $5.50 per week, and some of the better class or skilled workmen are paid from 25 marks to 26 marks weekly, which would equal about $6.25 to $6.50. Whereas we are compelled to pay our labor an average of $12 per week, and for the skilled labor from $20 to $25 per week.

You can readily recognize that at this ridiculous low rate of wages, how we American manufacturers can compete under the present conditions where hardly any duty is imposed whatsoever on these products from the German and Chinese rattan factories.

The wages paid by the Chinese manufacturers are no doubt at least 50 per cent less than paid by the German manufacturers.

We thought it advisable to make you acquainted with the above facts, in order to evidence that our petition for relief is just, notwithstanding any request you may have to the contrary, and which requests merely come from consumers of our product here in the United States and who sign such petitions, irrespective of any justice whatsoever.

Very truly, yours,

AMERICAN RATTAN AND REED MANUFACTURING CO.,
JOS. SOLOMON, *Secretary.*

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FURNITURE.

[Paragraph 208.]

VARIOUS NEW YORK IMPORTERS ASK FOR REDUCTION OF THE DUTY ON CABINET FURNITURE OF WOOD.

251 FIFTH AVENUE,
New York City, February 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The following brief in the interest of the undersigned importers and dealers in furniture, asking for a reduction in the proposed new tariff of the rate of duty on house or cabinet furniture of wood, is respectfully submitted to your committee for consideration. For the purposes of the brief, and to the end that a clear explanation of their claims may be made, the various important classes of furniture imported into this country will be divided as follows: (1) Bentwood furniture; (2) antique furniture; (3) modern carved furniture.

BENTWOOD FURNITURE.

All of the metal parts are purchased in the United States and 30 per cent of the labor necessary to put the merchandise in a marketable condition is performed in this country by American workmen.

This class of imported furniture is made almost exclusively in Austria, the wood being grown in forests established for the particular purpose and the growth supervised with a high degree of care for the purpose of insuring the largest possible uniformity of texture and strength, to the end that the output shall be durable and regular in appearance. This furniture is all made of beech wood and the various parts of each piece are subjected to steam and bent to the required shape. When the bending process is completed, the parts are either shipped in that condition or are finished in the desired color in imitation of mahogany, oak, etc.; when shipped unstained, the cane for the backs and seats is attached in the United States; when shipped stained, the cane is attached before leaving the factories in Austria. In both cases, all of the metal parts, screws, nuts, bolts, etc., are made here, and about 30 per cent of the labor attending completion is performed in this country by American workmen, about 200 wage-earners being employed in New York City alone in preparing the merchandise for distribution from the agencies there located. About $300,000 worth of Austrian bentwood furniture was imported into this country during each of the five years from 1904 to 1908, inclusive, and a comparison of the prices at which some standard types of this furniture are sold in wholesale quantities to jobbers and the trade generally in New York City, with the prices of similar types made in this country, furnishes a forceful argument for a reduction in the present rate of duty. For example, chairs No 697 (Thonet, Austrian), corresponding with Nos. 1546–5 and 1546–5 V (Heywood Brothers and Wakefield Company, American), are sold in this country—the Austrina, at $42 per dozen, and the American at $36 per dozen; and chair No. 501 (Thonet, Austrian) corresponding to No. 453 (Heywood Brothers and Wakefield Company, American), are sold in this country—the Austrian at $19.50 per dozen, and

the American at $16.50 per dozen. A reduction in the present rate to equalize this difference would, it is believed, result in an increased importation and a greater revenue without weakening the principle of protection to American labor to which our country is committed. (See Exhibits C and D attached.)

ANTIQUE FURNITURE.

This class consists entirely of original productions of the English Chippendale, Hepplewhite, and Sheraton, and the Louis XIV to XVI periods with their various renaissance influences, or artistic reproductions of the original types worked out with a high regard for accuracy and detail. In this subdivision, the cost of labor could not be fairly compared on a per diem basis with copies or reproductions made in this country, for the reason that whereas any piece made by hand in Europe requires the services of a workman, or a set of workmen, for a period of from one to four weeks, a similar piece made in this country by machinery and resulting in the same general effect, could be produced in the same number of days. Probably 90 per cent of this class is purchased by American artists, collectors, and decorators for use in the highest type of architectural productions and interior furnishings, many examples being on exhibition at the Metropolitan Museum of Art in New York and various other art and educational institutions throughout the country, serving a purpose in that line which, in the opinion of the undersigned, is no less worthy of encouragement than any of the various means by which the intelligence of the American people is stimulated and improved. From an artistic view point, and for the reasons mentioned, there is no ground for comparison possible between this class of furniture and its American prototype, while from the utilitarian, the American product serves its intended purpose and can be produced at a comparatively low price. (See Exhibits E and F attached.)

MODERN CARVED FURNITURE.

Forty per cent of labor necessary to completion performed in the United States. No competition with American workmen on account of superior durability of the American product. Less restricted importation desirable principally on account of the wealth and beauty in design which would stimulate the American producer to emulation.

About 75 per cent of this class of furniture imported into the United States is made in Italy by peasant labor. The use of machinery in this connection is absolutely nil, but the time necessary for its manufacture more than makes up for the difference in the daily wage of the peasant and the American workman, in proportion to their output.

This class of furniture is also imported into the United States in a comparatively unfinished state, and consists at the time of importation of carved parts only, which are put together and stained or gilded for the American market by American workmen. The demand for it in this country is, however, comparatively small, for the reason that the materials of which it is made are not properly seasoned for this climate; but slight as are its wearing qualities, a freer importation is believed desirable for educational purposes, and particularly because it interferes to no extent with the interests of the American workman.

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The American furniture interests do not need as high protection as they at present enjoy. The conservation of American forests would be aided by a reduction in the tariff on furniture of wood.

According to a report of your honorable body (see Notes on Tariff Revision prepared for the use of the Committee on Ways and Means, House of Representatives, at p. 264) there were 2,482 establishments in the United States in 1905 engaged in the manufacture of furniture, representing an investment of $152,712,732, and employment was furnished 118,442 wage-earners and salaried officials, who received $59,014,592, the value of the product being $170,446,825. In 1907 the United States exported furniture valued at $1,132,667, Europe taking $1,077,901 of this, Great Britain standing first in amount purchased, France second, Austria-Hungary third, and Italy fourth. It is believed that the United States customs records would show the total importations of furniture by this country during the year 1908 to be less than two millions of dollars, but the amount invested in this country by importers in furniture and high-art objects (furniture probably representing 25 per cent of the amount) would approximate $20,000,000.

In the opinion of the undersigned importers and dealers, there is no principle of protection to American workmen involved in this class of merchandise. On the contrary, it would appear that a less restricted importation in this line would further the cause of forest conservation in this country and would afford opportunity for a greater exercise and improvement of the American imitative genius. We respectfully urge your committee to incorporate in the proposed new tariff law a provision as follows:

House or cabinet furniture of wood, or of which wood is the component material of chief value, twenty-five per cent ad valorem.

Or if the method of fixing the value of imports be changed so that the American wholesale price, rather than the foreign market value, shall be the basis for the assessment of duty, that a proportionate reduction be made, as above indicated.

Respectfully submitted.

"Charles," 251 Fifth avenue, New York City; A. Villoresi, 155 East Twenty-third street, New York City; Austrian Bent Wood Furniture Company, 62 Ninth avenue, New York City; E. Dreyfous, 582 Fifth avenue, New York City; A. Lowenbein's Sons, 383 Fifth avenue, New York City; Thonet Bros., 860 Broadway, New York City; A. Olivotti & Co., 305 Fifth avenue, New York City; J. & J. Kohn, 110 West Twenty-seventh street, New York City; "Adams," 239 Fifth avenue, New York City; L. Alavoine & Co., 712 Fifth avenue, New York City; S. Levison, 356 Pearl street, New York City; Wm. Baumgarten & Co., 323 Fifth avenue, New York City.

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EXHIBIT A.

NEW YORK, *February 16, 1909.*

NEW YORK COUNTY, *New York:*

I, Walter D. Schmits, manager of the New York branch of Jacob & Josef Kohn, manufacturers of and dealers in Austrian bentwood furniture, depose and say that I have been associated with the Austrian bentwood furniture trade for a period of thirteen years, and that in my opinion I am qualified as an expert in that line; that I have read subdivision (1) of a brief to be presented to the Ways and Means Committee of the House of Representatives, Washington, D. C., and unqualifiedly indorse the statements made therein; that I am prepared on sufficient notice from the said Ways and Means Committee to appear before that body at Washington, D. C., in support of the statements herein made.

WALTER D. SCHMITS, *Manager.*

Sworn to before me this 16th day of February, 1909.
[SEAL.]

A. J. GUISLIN,
Notary Public No. 116, New York County.

EXHIBIT B.

NEW YORK, *February 16, 1909.*

NEW YORK COUNTY, *New York:*

I, Albert Wanner, jr., manager of the New York branch of Thonet Brothers, manufacturers of and dealers in Austrian bentwood furniture, depose and say that I have been associated with the Austrian bentwood furniture trade for a period of eighteen years, and that in my opinion I am qualified as an expert in that line; that I have read subdivision (1) of a brief to be presented to the Ways and Means Committee of the House of Representatives, Washington, D. C., and unqualifiedly indorse the statements made therein; that I am prepared on sufficient notice from the said Ways and Means Committee to appear before that body at Washington, D. C., in support of the statements herein made.

ALBERT WANNER, Jr.

Sworn to before me this 16th day of February, 1909.
[SEAL.]

THOMAS B. WALLING.

EXHIBIT C.

NEW YORK, *February 15, 1909.*

I, H. F. Dawson, a member of the firm of Charles, importers and dealers in antiques, at 251 Fifth avenue, New York City, N. Y., do solemnly swear that I have been associated in business with furniture importers and dealers for a period of eleven years; that I consider myself qualified as an expert on antique furniture, and that I have read the brief dealing with antique furniture and do vouch for its accuracy; that I am prepared to appear before the Ways and Means Committee of the House of Representatives at Washington, D. C., on reasonable notice from them, to testify in support of these statements.

H. F. DAWSON.

Subscribed and sworn to before me this 15th day of February, 1909.
[SEAL.]

CHARLES ALVIN ROGERS,
Notary Public No. 64, New York County, N. Y.

EXHIBIT D.

NEW YORK, *February 15, 1909.*

I, Ernest Lowenbein, do solemnly and truly swear that I am a member of the firm of A. Lowenbein's Sons, dealers and importers in furniture, works of art, and antiques, at No. 383 Fifth avenue, New York City, N. Y., that I have been connected with the importation of such merchandise for a period of twenty-five (25) years; and that I believe myself qualified as an expert in those lines; that I have read subdivision No. 2 of the accompanying brief dealing with antique furniture, and do vouch for its accuracy; that I am prepared to appear before the Ways and Means Committee of the House of Representatives at Washington, D. C., on reasonable notice from them, to testify in support of these statements.

ERNEST LOWENBEIN.

Sworn to before me this 15th day February, 1909.
SEAL.]

WILLIAM J. LIMONT,
Notary Public.

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SCHEDULE E—SUGAR, MOLASSES, AND MANUFACTURES OF.

SUGAR.

[Paragraph 209.]

HON. R. B. HAWLEY, GALVESTON, TEX., URGES THE CONTINUED PROTECTION OF THE SUGAR INDUSTRY.

CHAPARRA, CUBA, *January 20, 1909.*

Hon. SERENO PAYNE,
Washington, D. C.

MY DEAR MR. PAYNE: It has been my purpose not to obtrude myself into the pending discussion of the tariff and its proposed revision, due largely to the fact that there was no need to do so, that it was in the keeping of those who did not require advice.

Briefly, however, I beg to submit a few points affecting the sugar schedule, which may appear elemental, but which I think can not be said too often. The basis of our tariff regulation—"for the purpose of encouraging American industries"—is plainly that the American people shall be supplied with what they need or want under the most favoring conditions that can be established. This was the declared policy under the "Dingley schedule," and, consonant with this policy, there looms a palpably indisputable fact, that under the influence of a protection of nearly 2 cents per pound the American people to-day are consuming table sugar at a price lower than the average cost to them of granulated sugar during the three years running of 1891, 1892, 1893, under a free-sugar schedule. This has taken place under the acquisition of Porto Rico and a slight favor to Cuba, but more largely, much more, to the cheapening cost of production encouraged by the tariff and existing conditions in the United States; whereas, in this period the cost of production has not decreased in Europe but is rather higher now than then. Had we abandoned our system and depended on Europe for supplies, the result is obvious—while taxing us to the limit for our wants they would have monopolized the trade of the world with all its attending advantages.

It is observable that some suggestions have been made to the committee to reduce the general duty one-half cent per pound, retaining the present rebate to Cuba of 33.70. The result of this legislation would as effectually destroy the production of sugar in the United States as the announcement of free trade. The cost of field labor in Europe is scarcely 50 per cent of the cost with us, and in most of the factories rather less than 50 per cent; in Java less than one-fifth of our labor

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cost, and in Mauritius and Brazil, both actively developing the sugar industry, the cost is not comparable.

Under what law of trade or compensation should these countries be admitted to the market of the United States, when we have our own, or at our door which we dominate, supplies that we command on favoring conditions that in return give us exclusive markets for the products and commodities created by our consumers?

	Tons.
United States produces to-day	750,000
Porto Rico	250,000
Hawaii	500,000
Cuba	1,300,000
Total	2,800,000

The consumption of the United States being 3,000,000 tons.

If we are looking for more sugar and cheaper sugar, let us find it as before, though the system has given employment to producer and consumer alike, and withal cheaper sugar than the world sold us when our ports were free and our industry only sustained by an obnoxious bounty.

It seems clear to me we could truly "keep the tariff to trade on;" that we should maintain the status quo upon the assurance of the past that we will soon be eating the cheapest sugars in the world; extending favors—if any—only to those who are near us and essentially a part of us geographically and commercially, and gradually improve our relations in exchanging one commodity for another as now, under conditions which would injure no vested interests and would maintain our production equally with our increasing demands.

With reference to the Philippines, whether the 300,000 tons suggested be brought in under an immediately effective or graduated schedule, the same concessions should certainly be given the American manufacturer to supply the material needed for its production.

With assurance of high regard, sincerely yours,

R. B. HAWLEY.

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SCHEDULE F—TOBACCO, AND MANUFACTURES OF.

TOBACCO.

H. S. FRYE, OF WINDSOR, CONN., FORWARDS SUPPLEMENTAL STATEMENT RELATIVE TO TOBACCO CLASSIFICATION.

WINDSOR, CONN., *February 10, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: As a specialist of over twenty-five years' exhaustive study on leaf tobacco and cigars, tariff, revenue, trade, etc., this and other countries, I beg to submit the two inclosures, together with a proof sheet (statistics) sent you recently through Mr. Hill, Member of Congress from Connecticut, and suggest they be read in order numbered, to wit: First, statistics; second, rebuttal *v.* Hamilton et al.; and, third, tariff for revenue. This will give you as clear and conclusive a statement of facts as I can write, for I have devoted close, careful thought to it, with the sole view of making it as reliable as finite judgment can make it. I urge no policy, am absolutely unbiased (personally, now have no interest in tobacco), though, of course, the wrapper-leaf interests have my full sympathy, for I know better than most of the farmers do what the facts are and how utterly useless it is at this late day to talk of or even attempt to get a really protective rate of duty as against Sumatra, one that would actually check imports and lessen competition. It can not be done. I know that, but a little more revenue could be raised from that source by a small increase in duty. Not long ago I was still under the impression that some increase in revenue from cigars might be obtained by a lower rate in duty; that imports would increase to more than make up the loss in lower specific rate. But to be sure about that, I made more recent investigations and found the process of transferring the Habana cigar industry to the United States had gone on more rapidly of late years than ever before—one reason being the better Tampa and Key West factories. Discriminating smokers slowly learned that, excepting a few Habana independents, better Habana cigars were turned out in Florida (New York City, too) than most of those in Habana, Cuba. So, on the whole, I had to abandon that theory, in view of later knowledge, because no large increase in Habana cigar imports could be expected, even at a one-half reduction, unless Tampa and Key West manufacturers should be driven back to Cuba by a large increase in duty on Habana filler. Reciprocity with Cuba, too, has been a factor, reducing the duty 7 cents a pound, or to 28 cents. I suspect that no one from foreknowledge (I didn't) ever worked out in his own mind what the result (transferring a large

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manufacturing industry from Cuba to the United States) of present rates of duty on both filler, leaf, and cigars would be. But we know now, and can govern ourselves accordingly. It is an awful job for me to write out (as I have to here) copies, so beg to suggest you have a few typewritten copies made for your and colleague's use. Mr. Hill has a written one. If there are any points not clear, I will be glad to make them so; but, briefly as possible to cover the ground, I have done best I could, with no expectations or objects other than to help a little if I could in best possible adjustment of Schedule F.

IN REBUTTAL V. HAMILTON, ETC.

Having noted with surprise and regret that no official action relative to revision of the tariff (Schedule F especially) has been taken by the New England Tobacco Growers' Association, no brief on record and none in rebuttal filed against arguments of eight men and firms on record as urging schemes detrimental not only to tobacco farmers but large cigar interests as well, I deem it a duty to take some action, and beg indulgence in consideration of the following in rebuttal *v.* Mr. F. E. Hamilton's statements on record, especially so since whatever might be said regarding the other seven opponents of present schedule (not one statement among them all substantiated by a single fact, statistical or other) Mr. Hamilton's contentions embody within themselves the worst, most vicious, features of all the others. Stripped of its verbosity and chicanery, his whole argument is summed up in his opening proposition for more revenue by 50 cents per pound duty on all leaf tobacco and cigar duty reduced to $2.25 per pound specific (ad valorem same as now, 25 per cent), a reduction of $1.35 a pound on wrapper leaf, an increase of 15 cents a pound on fillers, and a reduction of one-half specific duty on cigars. Beautiful scheme for Mr. Hamilton and his two associates named, especially so when based on the alluring "more revenue" argument. First, we will consider his $1.35 reduction on wrapper leaf. As imports "for consumption" 1903–1907, inclusive, five years (see statistics), have been nearly 6,000,000 pounds annually (5,956,244, to be exact), he would have to about quadruple present imports under that reduction to 50 cents a pound to obtain any material increase in revenue from that source, and as Sumatra alone now wraps 85 per cent of all cigars covered with a "commercially" known "wrapper," known in the trade as "wrapper," and selling at "wrapper" prices, 2,000,000 pounds more, or 8,000,000 in all, would far more than wrap all the cigars made in the United States, and therefore as four times present imports (about 6,000,000 pounds) would be 24,000,000 pounds, what will he do with the surplus of 16,000,000 pounds, that surplus alone being amply sufficient to wrap all the United States cigar output for over two years? As a matter of fact the result would be a tremendous loss of revenue. Allowing that the 8,000,000 pounds wraps all the cigars made (no market left for a single pound of domestic wrappers), the 8,000,000 pounds at 50 cents a pound would yield a revenue of $4,000,000, and as the average revenue actually collected on wrapper leaf for five years, 1903–1907, inclusive, has been over $11,000,000 a year (see statistics) the actual loss on wrapper imports alone would be over $7,000,000, and over $6,000,000 after he had increased imports to 8,000,000 pounds. I beg to submit Mr. Hamilton must have an exalted opinion of the

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intelligence of Congress to submit and have placed on record such assertions, but he may say "all filler leaf would have to pay 50 cents, or 15 cents a pound more duty than now." Admitted; and on the face of it, as Cuban filler (practically all imported) imports for the last six years, 1903–1908, inclusive, have averaged over 21,000,000 pounds annually, 15 cents added to present duty would yield some $3,150,000 more revenue. A poor trade, though, against an undoubted loss of $6,000,000 to over $7,000,000 on wrapper, provided (and here is concealed the Etheopian in his wood pile) Tampa and Key West manufacturers would submit to the extortion and "stay put" where they are. But will they? Not if Mr. Hamilton's scheme to reduce duty on Habana cigars to $2.25, specific, works; as in that event probably most of Tampa and Key West manufacturers would move over to Habana, Cuba, as they have previously intended to do in case of adverse tariff legislation here—would have to, with 50 cents a pound duty on all their raw material, and the duty on Habana (competing) cigars reduced one-half. So now we are getting a glimpse of the "cull'd g'l'm'n" (Mr. Hamilton's protégé). When the trust absorbed the Habana-Commercial, and the Henry Clay and Bock companies after the Spanish war, I was told by well-informed Habana interests that it then controlled two-thirds of all Habana cigar output, leaving only one-third as independents, and as Mr. Hamilton and his associates, presumably, can handle only that restricted output, his manifest object in driving Tampa and Key West manufacturers over to Habana becomes very apparent. True, there would be some increase in revenue from cigar imports, provided same should be more than doubled (hardly a million, though, at the outside), but not one-third enough to make up the loss by decrease in Habana filler imports (some wrapper, too) when by far the largest importers of Habana tobacco had moved over to Habana, Cuba, not counting the loss of six to over seven million dollars on wrapper imports. But this is not all the evil concealed in this nefarious scheme, masquerading as a "revenue" measure. Large amounts of Habana fillers are used in the "seed and Habana," the best cigar made in the United States outside "clear Habana," and, quality and price considered, the best and cheapest; but the filler duty is now almost at the prohibitive point—is about 100 per cent more than the best Connecticut Valley crops can be sold for now, wrappers and all, and three times the average value of all product of northern seed-leaf States. At 50 cents duty the whole "seed and Habana" industry would be destroyed. What then becomes of the Connecticut broadleaf, used exclusively on those cigars, selling on their merit (quality), not looks, as does the Sumatra-wrapped imposter? Then too, the best 5-cent cigar, with a little Habana filler in it to give it a trace of that delectable Habana aroma, so essential to a really good cigar. No more good smokes for the millions, the really great consumers of this country. True, Mr. Hamilton's customers, the millionaires, would get their imported Habanas a little cheaper, perhaps, but the great mass of the consumers would pay as much as now for poorer, not better, cigars, the exact reverse of Mr. Hamilton's contentions.

I pass over his reckless promise to "save over $25,000,000" to the consumer as too absurd for patient consideration. His "$2,000,000 increase in revenue" would certainly result in a deficit of many millions. Not one single fact, statistical or other, to substantiate his

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specious sophistry, and all statistical facts (that no one can question) disproving, utterly annihilating, his whole "revenue" argument from start to finish, these being the salient points for consideration now by men not biased by greed and self-interest.

TARIFF REVISION (SCHEDULE F) FOR REVENUE.

Duty on wrapper leaf.—After twenty-five years' struggle and contention to obtain a protective rate on wrapper leaf adequate to save the industry from annihilation by Sumatra competition with no results other than a large increase in revenue from Sumatra imports and postponement of the inevitable, I admit it is useless now to longer hope for the unattainable. The domestic-wrapper industry is doomed to extinction. With Sumatra-wrapper imports continually increasing and fully 85 per cent of the home market already lost and no duty ever yet obtainable anywhere near high enough to even check imports of same, the end is plainly in sight. The wrapper product of State after State has been driven out of the market as any factor in wrapper-leaf production, until only the Connecticut valley remains, and there wrapper prices are now so low as to bring the average value of crops down to cost of production (or less), so there only remains the possibility of getting a little more revenue from the flood of Sumatra constantly pouring into the home market. Statistics show that during five years (1903–1907, inclusive) over $4,367,000 more revenue might have been raised from that source had the duty been only 15 cents a pound more, provided, of course, the added 15 cents would not have (in itself alone) decreased imports; and it would not, as every well-informed leaf and cigar man knows, since every brand of cigars once wrapped with Sumatra must continue to be so wrapped. Moreover, it is doubtful if that small increase in duty would have increased the cost here to any appreciable extent, since all Sumatra tobacco is sold under sealed bids, the American buyer at the inscriptions could (as he surely would) discount the extra 15 cents on all his bids. Therefore, the result of the Senate's refusal to adopt the rate passed by the House in the Dingley bill has been an undoubted loss of many million dollars revenue during the life of that law to date, with no resultant benefit to any American industry, simply adding that amount to the plethoric profits of the Dutch syndicates. It therefore follows that mistake should be remedied by restoration of the 1890 or $2 duty on wrapper leaf, since Sumatra-wrapper imports will even then continue to increase until all cigars made in the United States (except clear Habana) are wrapped with same, the only factor preventing which being the possible substitution to some extent of the domestic "shade grown," that contingency, however, being as yet a problem for future solution. It would therefore appear that somewhere around a million dollars more revenue annually might be obtained by increasing the duty on wrapper leaf 15 cents a pound, with no appreciable injury to any domestic cigar interests, since none but "clear Habana" have any foreign competition at all.

Filler leaf.—As previously shown the present duty is about at the highest point possible as a "revenue" measure, because any increase in rate (to which the trade has been adjusted for many decades) must surely result in such decrease in imports as to yield less rather than

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more revenue from that source, besides crippling if not destroying the domestic "seed and Habana" industry, and deterioration in quality of other domestic output.

Cigar duty.—Whether from the standpoint of "revenue only" a lower specific rate on cigars would yield more revenue by increase of imports would depend altogether on the combination of two factors, to wit, lower cigar duty coupled with a much higher rate on filler leaf. Retain the present rate of 35 cents (or less) and Tampa and Key West would still be able to continue business "at the old stand," even with a lower rate of duty on cigars; Habana imports (leaf) and revenue would still increase; also output of cigars, with resulting decrease of Habana cigar imports of quality good enough for consumption here in competition with the cheaper domestic cigar; and, as under present rates of duty on both cigars and filler leaf, the result has been to gradually transfer the "clear Habana" industry from Cuba to the United States, unless that policy is reversed by a prohibitive duty on Habana fillers (it is now prohibitive on all other filler leaf) for the express purpose of driving that industry back to Cuba, no considerable increase in Habana cigar imports could be expected. Therefore, no increase in revenue could result, but a loss be more probable, prohibitive as it still would be on all but Habana cigar imports. So it would appear that unless Congress is prepared to commit hara-kiri with the tariff (Schedule F) by adoption of the one proposition (H's) now on record of coupling abolition of one-half the cigar duty with an increase of nearly 43 per cent in duty on filler leaf, and consequent exodus of the large Tampa and Key West "clear Habana" industry to Habana, Cuba (the plain intent and purpose of that proposition) (see Brief v. Hamilton et al.), it better leave the present duty on cigars and filler leaf severely alone.

Admitting "more revenue" is the great desideratum now, I apprehend Congress will hesitate long before legislating well-established industries (created, too, by its own act) out of the country in order to have the finished product (cigars) available as foreign imports to raise "more revenue" on, especially so, as it appears the cigar duty now is nearly as possible at the point of largest possible revenue from that source, it not being possible to increase the supply of leaf suitable for Habana cigars of quality good enough to compete with domestic (duty added) short of driving the "clear Habana" industry back to Cuba. I am but too well aware that since 1890 all writers on tobacco tariff have seemed to consider it a duty to vie with each other in hurling all their shafts of ridicule, sarcasm, and anathema at the wrapper rate of duty, ($1.85 a pound or $4.62½ per thousand cigars), entirely ignoring the enormous specific rate of $4.50 a pound on cigars (or $54 specific duty alone per thousand, at 12 pounds per thousand; indeed, to such an extent, I doubt if one in ten of these penny-a-line writers could tell offhand what the duty on cigars was, while, as a matter of fact, the wrapper duty has never yet been high enough to yield the maximum revenue possible, and, as shown in enormous increase of imports and prostration of domestic wrapper industry, falling far short of a reasonably protective measure, while the cigar duty was at a point so nearly prohibitive as to have yielded no revenue at all, but for the exceptionally fine quality of the one cigar in the world, "clear Habana," that could be imported here under that rate of duty, resulting in a heavy decrease in Habana (Cuba) output,

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and as a sequence, transferring more than half the "clear Habana" industry to the United States, building up large cities in Florida establishing a great industry here and employing thousands of skilled workmen, both in Florida and some northern cities. These being well-known facts, it is hardly supposable that Congress could be inveigled into the folly of driving that industry back to Cuba for a mere political sentiment, and involving a loss, too, of millions of dollars in revenue. It would appear, therefore, that the present schedule (F) is as nearly perfect as a revenue measure as is possible, unless some more revenue can be raised from Sumatra imports by a small increase in wrapper rate, but even that I candidly admit is not a certainty. Not that it alone would result in loss of revenue by decrease of imports solely because of increase in duty, but because domestic manufacturers may possibly more and more substitute the "shade-grown" counterfeit, the only leaf that can possibly be used in place of the imported article. That contingency, however, is still an unsolved problem, with indications, though, that the "shade-grown" competitor may in time prove a more powerful factor in driving out the "Sumatra invader" than ever Congress has. In retrospect: Some dozen years ago it would have been possible to increase revenue from cigar imports by some reduction in duty (as I then contended), but conditions then existing do not obtain now; have rapidly changed. Owing to the natural effect of a high specific duty on cigars (Habana. Cuba), coupled with a revenue duty on filler leaf, the result has been to largely transfer the manufacture of Habana cigars to the United States. As a measure of political economy (stealing our neighbors' chief manufacturing industry), I admit it was a brilliant success, albeit not contemplated or intended by Congress, but brought about solely by the tobacco farmers' successful efforts to get a $2 rate on wrapper leaf in tariff of 1890, resulting in the manufacturers' demand for $2 per pound increase in the specific duty on cigars as a "compensatory" measure.

Neither Congress nor any tobacco farmer (or manufacturer) anticipated or even thought the result would be the gradual transfer of Cuba's chief manufacturing industry to the United States, but that result in its entirety is rapidly approaching. If Schedule F comes out of the revision furnace with present rates on cigars and filler leaf unchanged, it will not be long in the future before the Habana (Cuba) output will be confined practically to home consumption and the European market, this country manufacturing all its consumption of "clear Habana" cigars. Another factor that will hasten the change is an undoubted fact that owing to certain changes that have taken place in the Habana (Cuba) trade of later years even the wealthy spendthrift, to whom the cost of a cigar is of no moment, is slowly learning that an "import stamp" is no guaranty of quality; indeed, there are experts whose suspicions would be more actively aroused than quieted by a too glaringly displayed "import stamp," ofttimes as arrant a humbug as the "Sumatra wrapped" fraud masquerading as a cigar of merit and sold as such because some cane-sucking dudes set the fashion to hunt for a pretty slick-looking article rather than for sane enjoyment of a really good smoke.

Respectfully submitted. H. S. FRYE.

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SCHEDULE G—AGRICULTURAL PRODUCTS AND PROVISIONS.

SHEEP.

[Paragraph 221.]

J. B. MANBY, OF TRINIDAD, COLO., STATES THAT THE DUTY IMPOSED ON MEXICAN SHEEP IS PROHIBITIVE.

TRINIDAD, COLO., *March 3, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I wish to call your attention to the prohibitive duty on sheep from old Mexico imported to the United States. At present the duty on lambs is 75 cents per head and on all sheep over 12 months old the duty is $1.50 per head. This rate also applies to Canada, but as the Canadian sheep are twice as large as the Mexican sheep, twice as many pounds of Canadian sheep may be imported for the same revenue as can be from Mexico.

For instance, a lamb from Canada under 12 months of age weighing 100 pounds can be imported to the United States for 75 cents, while the Mexican lamb weighing 45 pounds has to pay 75 cents.

A 2-year-old wether from Canada weighing 200 pounds is charged $1.50. A 2-year-old wether from Mexico weighing 75 pounds is charged $1.50. I think it would be only fair for Congress to amend the tariff so as to charge by the weight instead of by the head.

I have been importing sheep from Mexico for fifteen years, none of them have made any money since the Dingley bill went into effect; and I have never been able to sell to the same party twice. The business being done with sheep feeders who had a large amount of feed on hand, and were unable to secure feeders in the United States on account of local weather conditions, and they preferred to take chances on an importation from Mexico rather than lose the feed they had on hand.

Yours, truly,

J. B. MANBY,
Dealer in Live Stock.

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MACARONI.

[Paragraph 229.]

THE ATLANTIC MACARONI COMPANY, LONG ISLAND CITY, ASKS AN INCREASE OF ONE CENT A POUND ON MACARONI.

LONG ISLAND CITY, *March 3, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We are here for the purpose of asking that the duty on macaroni as fixed in the Dingley Act of July 24, 1897, be increased 1 cent per pound, thereby making the rate of duty 2½ cents per pound.

Our reasons for making this request are, succinctly, that in this manner will the revenue be increased anywhere from $100,000 to approximately $1,000,000 per annum, and at the same time the American manufacturer of macaroni will be given an opportunity to compete with the foreign article on the basis of a fair, living profit, a condition which has not existed during the past fifteen years, or, in other words, never since the Wilson Act of August 28, 1894, was passed.

During that period, if the history of the manufacture of macaroni in this country were to be written, the most characteristic fact would be the list of failures and the amount of money which has been lost in the enterprise. For instance, the American Macaroni Company was succeeded by the National, of Chicago, which had plants at New Orleans, St. Louis, Libertyville, Ohio, Chicago, and Wilmington, Del. This company finally was compelled to give up the fight and quit the business. The same story is true of the Eagle Macaroni Company; the Chardon Macaroni Company, of Chardon, Ohio; the Royal Macaroni Company, of Minneapolis; and, in fact, the list might be increased indefinitely. A. Zerega's Sons (Consolidated) have not declared a dividend in six years, and at the last meeting of the National Association of Macaroni Manufacturers in 1904 there were present at least 20 or 30 manufacturers who claimed that they had not made a penny in five years.

It is a noteworthy fact that the importations of macaroni have increased regularly from year to year until to-day they amount in round numbers to 86,500,000 pounds. This fact is due primarily to the more favorable conditions as to labor cost, cheap raw material, and fine climate, which the foreign manufacturers enjoy, and secondarily to the inadequate protection which is afforded by the present tariff act.

The average labor cost in this country as compared with that in Italy, where there are no restrictions as to minor labor, is practically five to one, or $12.50 per week as against $2.50. This condition was brought out in the statement filed by representatives of the New York Produce Exchange, and may be accepted as a concise statement of existing facts. According to the records which are before your committee, it will appear that the unit of value per pound is about 4 cents, and with the duty at 1½ cents per pound the equivalent ad valorem is

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about 35 per cent. This is not sufficient to meet the difference in labor cost.

To-day high-grade macaroni is being sold f. o. b. Naples at 4.65 francs, or 90 cents, per case of 22 pounds. This merchandise can be landed at New York, freight, insurance, and duty paid, at $1.30. The same grade of macaroni can not be placed upon the market by the domestic manufacturer for less than $1.45 or $1.50 per case.

It certainly will not be contended that the cost of raw material is as cheap in this country as it is in Italy. It must be admitted that the labor cost there is very much less. It is absolutely true that the capital investment here is necessarily very much greater, and one element which plays a very important part in the cost of production is the extremely favorable climatic condition that the Italian manufacturer enjoys. There, owing to the exceedingly stable condition of the weather, the merchandise can be sun dried on the open highways, whereas in this country special buildings must be erected and mechanical devices installed for the purpose of artificially equalizing the temperature. This naturally can only be accomplished at a very much increased cost of manufacture.

These, however, do not constitute all of the advantages which the Italian manufacturer has. The duty under the Italian law on imported wheat is 75 lire per ton, and the Government refunds this duty upon the exportation of the macaroni, which amounts to a concession of approximately 12½ cents per case. Naturally no such privilege can be enjoyed by the American manufacturer who is producing his merchandise for the home market. There is also a further condition attaching to the sale of Italian macaroni in this country, which constitutes a very substantial benefit or advantage to the foreign manufacturer, namely, the very general belief that the foreign article is superior to the domestic. This advantage can be very accurately measured, for the reason that it is necessary to undersell the Italian product from 10 to 15 cents per case in order to induce the purchase of the domestic article of the same or even superior quality.

The next question arises as to what would be the result if the present duty of 1½ cents per pound were increased to 2 or 2½ cents per pound. The present importations may be stated at 86,500,000 pounds, the duty collected is $1,300,000. Practically 90 per cent of the imports are consumed by the Italian population of this country, whose prejudice in favor of the Italian product would be difficult to overcome. A large number of Americans also insist upon being supplied with the foreign article, and therefore it is a most reasonable assumption that the imports would not be lessened in any appreciable degree by the imposition of a higher rate of duty.

But to state the case most unfavorably to our contention and assume that the imports would decrease, they unquestionably would not fall off more than 20 per cent. On this basis, if the duty were increased one-half cent per pound the Government would collect $84,000 more revenue than at present. If the duty were increased 1 cent per pound, thus fixing the rate at 2½ cents per pound, the additional revenue collected on this basis would be $430,000. What we contend, however, is that the imports would not decrease at all, and if our judgment in this regard is correct, and we believe it is, the increased revenue on the basis of 2½ cents would be $865,000.

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We are not seeking to prohibit the importation of this merchandise; we are not seeking even to curtail the amount of importations. It is simply our desire to be placed in a position whereby we can produce macaroni of a quality equal in grade to that imported from Italy and to secure a fair living profit in the face of the absolute necessity of selling our product at approximately 10 cents per case less than the price at which the Italian article of the same quality is sold. The imposition of an additional cent per pound duty would enable the American manufacturer to produce goods of a better quality, it being a fact at the present time that in order to dispose of his merchandise in competition with the Italian it is necessary for the American to sacrifice quality. This naturally operates to the ultimate disadvantage of the American manufacturer, and if the duty be allowed to remain where it is to-day, it is only a question of time before the Italian manufacturer, whose exports to this country are constantly increasing, will have the entire control of this market.

We therefore ask that the rate be fixed at 2½ cents per pound, and thereby increasing the revenue $865,000 and giving to the American people merchandise of a standard of quality which can be sold on its merits in competition with the foreign article.

Very respectfully,

ATLANTIC MACARONI COMPANY.

OATS.

[Paragraph 230.]

EDWARD E. SCHARFF, OF ST. LOUIS MERCHANTS' EXCHANGE, URGES REMOVAL OF DUTY FROM OATS FOR SEED.

ST. LOUIS, *February 5, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: At the National Corn Exposition held at Omaha last December, the fact was demonstrated that the selection of corn for seed purposes had increased not only the volume of the crop but the character of same.

Attention was also forcibly called to the fact that the oat crop was deteriorating both in quality and volume. A good portion of the oats received at the principal markets of last year's crop weighed as low as 20 to 25 pounds to the bushel.

The deterioration in the oat crop finds the farmer with a very poor selection of oats for seed, the planting of this impoverished seed points to a further decline in the oat crop, which means a loss to the farmer, grain dealer, and miller, and increased cost to the consumer, and the introduction of new seed is imperative.

It is believed that this condition can be very materially improved by the use of imported oats for seed purposes, and in order to facilitate this movement it is believed that if the import duty of 15 cents per bushel was removed on oats imported for seed purposes only, it would result in a great advantage to this important cereal. In behalf

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of the Merchants' Exchange, of St. Louis, I call your attention to this important matter.

Trusting that you will be able to secure action in the tariff bill looking to this end, I am,

Yours, very truly,

EDWARD E. SCHARFF,
President St. Louis Merchants' Exchange.

CHINA SOY.

[Paragraph 241.]

EDWARD BENNÈCHE & BRO., NEW YORK CITY, PETITION FOR A REDUCTION OF DUTY ON THICK CHINA SOY.

NEW YORK, *February 1, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

SIR: We hereby beg to petition your honorable body to consider reducing the duty on thick China soy in casks from 40 to 20 per cent. This soy is a semicrude article, inasmuch as the only use to which it can possibly be put is the manufacture of Worcestershire sauce, of which it is only one of its many ingredients. As it is imported it can not possibly be used as a sauce, it being thick and sweet, in taste somewhat resembling black-strap molasses, as you may convince yourselves from the sample sent you to-day. We repeat, China soy alone is no more a sauce than a heap of stones would be a house. As to its weight, the same is very nearly 12 pounds to the gallon.

No similar article is made in this country, and China soy being an article which can only, in connection with a number of other ingredients, be used to make Worcestershire sauce, there is no reason whatever why it should pay as high a duty as 40 per cent.

On the other hand, soy imported from Japan in bottles and kegs is a thin liquid resembling in taste walnut catsup, may be used as a table sauce, though so far it has not met with any favor. The necessary distinction may be made thus:

China soy weighing over 11 pounds per gallon, 20 per cent ad valorem.

Japan soy weighing less than 11 pounds per gallon, 40 per cent ad valorem.

The above rates of duty to cover only soy in casks of 40 gallons or more, all soy in bottles or jars and in barrels of less than 40 gallons, to pay 40 per cent.

Soy pays now 40 per cent ad valorem as sauce, paragraph 241.

We hope that the above will receive your kind consideration, and remain,

Yours, respectfully,

EDWARD BENNÈCHE & BRO.

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CABBAGES.

[Paragraph 242.]

J. D. HAGE & CO., NEW YORK CITY, CLAIM THAT THE DUTY ON CABBAGES PREVENTS IMPORTATIONS.

80 WALL STREET, NEW YORK,
January 16, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: Referring to our letter of November 19 on the subject of cabbage, the developments just now, we believe, make a few further remarks pertinent, as the working of the 3-cent duty is being clearly illustrated.

Owing to the great drought from which this country suffered during most of last summer the late "winter cabbage" was a failure, and a great scarcity of native cabbage has already existed for some time, resulting in high prices all over the country for what remnants there are left. Between now and the end of March there will be hardly any cabbage to be had anywhere. If there was no duty on importations, large quantities would be coming over from Denmark, relieving the scarcity. This is what took place in former years, when, in a certain winter of great scarcity, Danish cabbage was shipped in carloads from here all over the country, even into Colorado and New Mexico, supplying the requirements of the country at a fair price.

The 3-cent duty per head, however, marks up the price so high that importing always becomes next to impossible. And this year it so happens that Germany and Russia have sent unusually heavy orders for Danish cabbage and are gradually absorbing the whole supply there at a steady increase in price. The consequence is that when we tried to start importations we were informed by our correspondents in Copenhagen, the largest dealers of cabbage there for export, that the price is now so high as to be equal to 8 cents per head on dock in New York, without any profit added either in Copenhagen or here. Expenses for handling here amount to fully 1 cent per head, and with 3 cents duty we are up to a first cost of 12 cents per head. This is so high that it is prohibitive. There is always some risk of the goods spoiling during the voyage over, and with such a high cost price there is no chance of making a reasonable profit on the business, much more a risk of loss. We would have to count on getting at least 13 cents wholesale, and we can not get it.

This business can only be handled in large lots, each shipment to be cleared out promptly before the next one comes in. Before the cabbage reaches the comsumers at the retail store it has of necessity to pass through several hands, and in case of shipping it out West, where most of it would go, freight and other expenses always will add a good deal to the price. When starting with 13 cents, nobody can take hold, because the various markets can not absorb it. There is a limit to what the people who consume cabbage can pay, as they are mostly all poor.

If there was no duty, large quantities of fine Danish cabbage would now be coming in here and would be obtainable at fair prices all over.

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But under existing circumstances nothing can be done, and while a few occasional consignments may arrive, there will be no real relief of the actual scarcity existing here.

We beg, therefore, again to present our recommendation to put cabbage back on the free list, or very near to it. As a revenue producer the article is negligible, while the duty does keep away just now from the people of this country an excellent and favorite vegetable without benefiting anybody.

Very respectfully, J. D. HAGE & Co.

NURSERY STOCK.

[Paragraph 252.]

THE NETHERLAND CHAMBER OF COMMERCE IN AMERICA SUBMITS BRIEF RELATIVE TO NURSERY STOCK.

WASHINGTON, D. C., *February 6, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Netherland Chamber of Commerce in America, having read with much interest the arguments presented to the Committee on Ways and Means in favor of a higher tariff on nursery stock, herewith respectfully submits some counter arguments laid before them by some importers of Holland nursery stock in this country.

Referring to the mixed duties which are now levied on some stock, it is argued that the claimed hardship imposed on this account on the nurseryman is more imaginary than real, and that the resulting fines and penalties are caused by lack of knowledge on the part of the shippers regarding the rulings of the custom-house. In this way the importing of such stock does not differ from any other import business, and it may be expected that importers in this country supply their correspondents abroad with the necessary information to enable them to have their consular invoices made out correctly.

Treating the matter as an issue for protection of home industry, it is claimed that the goods imported in this country do not come into competition with native stock, inasmuch as they consist partly of other kinds which are not grown in this country at all or are better qualities than those which the home market offers.

It is feared that some of the proposed increased duties would be prohibitive and would cause cessation of import of some kinds entirely, thus depriving the Government of revenue. The public would have to fall back entirely on the inferior qualities produced by the home industry, for which the nurserymen would not fail to charge as high a price as compatible with the import duty. The only ones who would consequently reap benefits from such increased duties would be the nurserymen, while the consuming public and the Government would be the sufferers.

It is conceded that the rate of wages in Holland is lower than in this country, but taking into consideration that the nurseryman in Holland keeps his hands in his service the whole year round, while his colleagues in the United States only hire their men for the planting and

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packing season and send them away as soon as this is over, do not pay them any day when rain or other weather conditions prevent them from working, the total amount of wages paid per year to each laborer which, as a very important item has to be figured in on the cost price of the stock, is about the same in both countries.

The system in vogue in Holland has resulted in creating a class of skilled laborers, while the temporary employment which the same class of people can get here makes it necessary for the nurseryman to engage a new crew every season. This causes that he can seldom get anybody who is acquainted with the trade, and under these conditions it need cause no surprise that he can only grow the coarse varieties of stock. Furthermore, the Holland nurseryman is nurseryman and nothing else, doing all he can to obtain the best possible results by choosing the best suitable location for his nursery, putting the soil in as good a condition as possible, etc. The nurseryman in the United States, however, in many instances is land speculator first and nurseryman as a second consideration only. By this is meant that nurseries are often started in the outskirts of a large city. on soil entirely unsuited for this purpose, but solely with a view toward selling this property later as building lots. It is claimed that if the nurseryman in this country followed the same careful methods as are in vogue abroad, kept his employees through the whole year, keeping them busy during the winter months making mats for protecting the young stock in spring, and similar kinds of work, the results they could obtain would soon put them in a position to compete successfully with any imported stock, which, over and above the tariff, has to carry the burden of the ocean freight, which is certainly no small item on a bulky article like nursery stock. An increase in duties would mean a continuation of inefficient methods, while a lowering of the tariff would force the American nurserymen to improve their methods and to employ their labor for a longer time than is now the case.

As claimed above, the increase of duty in many cases would mean that the public is forced to buy inferior stock at top prices and would deprive the Government of revenue, in illustration of which we give the following examples:

Rose plants.—It is proposed to raise the duty on these from 2½ cents to 4 cents per plant. Considering that these cost only $24 per 1,000 or about 2½ cents per plant, it would seem that the present duty of about 100 per cent ought to give the home grower sufficient protection and that an increase of duty to 4 cents per plant would be an imposition on the public. Such duty would make importation impossible and would throw the public back entirely on the home-grown article, which is of inferior quality.

Coniferæ, on which the duty is now 25 per cent, it is asked that a duty be placed of 15 cents per foot on all coniferæ, 2 or more feet in height. Considering the large range of values of coniferæ, in some cases this would be a low rate of duty and in other cases preposterously high. Such duty would entirely prevent the importation of the lower grades, which are anyway only imported when there is a shortage in the home supply, as under ordinary circumstances they can not be sold at a low enough price to compete with the home-grown article. This rate, however, would not prevent the importation of the better

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grades, which are not grown here at all. For these reasons it is argued that the existing rate of duty of 25 per cent ad valorem should be maintained.

PROPOSED DUTY OF 5 CENTS PER PLANT ON DECIDUOUS SHRUBS 2 FEET OR MORE IN HEIGHT.

As an example we quote *Hydrangea paniculata grandiflora*, of which annually thousands of plants are imported. These cost $30 per 1,000 plants or, plus the existing duty of 25 per cent, $37.50. The proposed duty of 5 cents per plant would make the cost $80 per 1,000, while even now American growers sell their product at a lower price than the imported article and make a profit, and the fact that the foreign-grown plants bring higher price is only due to quality.

Rhododendrons, azaleas, and bulbs are asked to be placed on the free list, as they are not grown in this country. As the free admission of these articles would certainly increase the consumption and foster trade, we can only welcome such proposal, but if the Government finds it advisable to levy a duty on these for the purpose of revenue, we have no arguments to offer against such taxation.

Submitted by:

THE NETHERLAND CHAMBER OF COMMERCE IN AMERICA,
D. G. BOISSEVAIN, *President.*

EVERGREEN SEEDLINGS.

[Paragraph 252.]

ELLICOTT D. CURTIS, NEW YORK CITY, THINKS DUTY SHOULD BE REMOVED FROM EVERGREEN SEEDLINGS.

62 WILLIAM STREET, NEW YORK CITY.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Forest planting is confined almost entirely to lands unsuited for agricultural purposes, and especially to lands which have been abandoned as farm lands and are now growing up to brush. This type of land is extensive in all the States in and east of the Appalachian Mountains. Almost every farm of any size in these States includes a certain amount of this sort of land.

The plants used for reforesting are almost entirely evergreens, and the sizes which have been found most suitable are two-year-old seedlings and three-year-old transplants. One-year-old trees are hardly ever large enough for planting out, and four-year transplants have too slight an advantage over the three-year-old trees to justify their use, except in exceptional cases.

The most approved method in New York and New England is to plant these trees at the rate of about 5 by 6 feet, making nearly 1,500 trees to each acre. The labor cost of setting out trees of this kind under favorable circumstances is about $2.25 per acre. The largest item in the cost of reforesting is, therefore, the cost of the trees. In general, it may be said that experience in New York and

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New England proves that two-year seedlings can be used for this purpose when they do not have to be shipped far, but, in general, three-year-old transplanted trees are much better and are well worth the additional cost.

With 2-year seedlings there will be a larger proportion of replanting necessary, which will increase the labor cost considerably, while with transplanted trees the loss should not be greater than 10 per cent, which will make no material difference in the future forest.

I have prepared the following table, showing the cost of trees both in Germany and in this country, together with the cost of importing and the per cent of duty at the present rate.

For the expense of raising similar trees in the United States the figures have been taken from a bulletin in course of preparation by the Division of Forestry, and they are corroborated by information which I have obtained from independent sources.

The species of trees which I have selected for this table are the ones which are most used in this work in almost every part of the country.

The prices given below are per thousand trees.

	Two-year seedlings.					Three-year transplants.				
	White pine.	Red (Norway) pine.	Scotch pine.	Norway spruce.	European larch.	White pine.	Red (Norway) pine.	Scotch pine.	Norway spruce.	European larch.
Average cost in Germany (J. Heins, 1908-9)	$0.95	$1.90	a $0.55	$0.40	$1.90	$2.50	.....	b $1.50	$1.57	$2.20
Freight and charges to New York, about	$0.50	$0.50	$0.50	$0.50	$0.75	$0.75	.....	$0.75	$0.75	$0.75
Duty	$1.15	$1.30	$1.08	$1.06	$1.30	$1.40	.....	$1.23	$1.23	$1.45
Cost in New York, duty paid	$2.60	$3.70	$2.10	$1.95	$3.95	$4.65	.....	$3.50	$3.50	$4.30
Per cent of duty on cost in Germany	121	68	103	265	68	56	.....	82	82	61
Per cent of duty on cost of trees f. o. b. New York	44	35	51	55	33	30	.....	35	35	30
Expense of raising similar trees in United States	$0.90	$1.10	$0.85	$0.80	$0.90	$2.80	$3.00	$2.75	$2.70	$2.80
Catalogue price of similar trees c from—										
D. Hill, Dundee, Ill., fall, 1907	$8.00	.....	$7.00	$5.00	$8.00	$50.00	.....	.....	$120.00	$18.00
R. Douglas' Sons, Waukegan, Ill., spring, 1908	$6.00	.....	$5.00	$4.00	.....	$120.00	.....	$80.00	$17.00	.....
Harvard Nurseries, Harvard, Ill., spring, 1908	$5.00	$60.00	$4.00	$3.50	$6.00	$40.00	$50.00	$35.00	$25.00	.....
Evergreen Nursery Co., Sturgeon Bay, Wis., spring, 1908	$6.00 $9.00	$16.00	$8.00 $10.00	$3.00 $6.00	.....	$18.00 $25.00	.....	$26.00	$12.00	.....

a 1 year.
b 2 years.
c American catalogues list their trees by sizes rather than ages. The prices given in the above table are always the lowest price at which any seedlings are offered in the respective catalogues. In the case of the Evergreen Nursery Company, two prices are sometimes given, in which case the first price is believed to refer to one-year seedlings.

From the above table it will be seen that the cost of reforesting 1 acre of land with white-pine seedlings, imported from Germany and planted at the rate of 1,500 per acre, will amount to $3.90, and if 3-year transplanted trees are used the cost will be increased to very nearly $7 per acre.

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For the spring of 1908 white pines could be obtained in Germany for $1.51 per thousand and could be delivered in New York at a cost not exceeding $3.50 per thousand, which reduced the cost of plants per acre to $5.25, at which price the work can be satisfactorily done. It is very doubtful whether the ordinary farmer or landowner can be induced to reforest his waste land where the cost of material is over $5.50 per acre, for the labor cost will increase this to a total per acre cost of $7.75, which is often considerably more than the land is worth.

A point particularly to be noticed about the above table is, however, that even with a duty of from 68 to 265 per cent on German seedlings they can yet be sold in this country at a less price than American-raised seedlings, and a specific duty of $2 per thousand would not change this result.

It should further be noticed, and this is the most important fact to which I desire to draw the attention of the committee, that transplanted trees, upon which the ordinary landowner or farmer without forestry experience must place his chief reliance, can practically not be bought in this country at any reasonable price. It is impossible to use white pine, the most important lumber tree in this country for reforesting land, when the transplanted trees cost $18 per thousand, the lowest price at which they were offered by any nurserymen in this country in the spring of 1908. The nurserymen mentioned above are among the best in the United States, and the prices which I have given are all from their printed catalogues sent me in the spring of 1908 in reply to my request for quotations on stock for forest planting.

I desire further to call the attention of the committee to the fact that the raising of trees for forest planting is a comparatively new industry, that very little capital has been invested in it, and that the entire removal of the duty on this class of trees will be attended with no great loss to anyone.

The statement in Mr. Hill's letter to the committee that he has 200,000,000 evergreen seedlings for forest planting is evidently a typographical error. These trees for forest planting will not average over 3 years old, so that if the statement were true Mr. Hill would be selling about 70,000,000 seedlings per annum, or enough to forest about 45,000 acres. It can be positively stated that no reforestation is being done on this scale. Probably no concern is planting more than the State of New York in its Adirondack forests, and the total area planted by them in 1907 was about 300 acres. Less than 500 acres were planted in 1907 in the whole State of Connecticut, and it is doubtful if in the whole United States 10,000 acres of evergreen forest seedlings have ever been planted in any one year. Mr. Hill's statement, therefore, is, as printed, not correct.

It should further be stated that comparatively few importations of forest seedlings are made by the consumer, most of this business being in the hands of nurserymen who make a specialty of importing the stock. Further than this, it is doubtful whether European stock can be successfully shipped very far from the Atlantic seaboard, as the trees will not stand a longer journey. It would seem, therefore, that any tariff on evergreen seedlings is a burden on the eastern consumer and does not affect the western market of the western producer to any appreciable extent.

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When we consider the large sums that the national and state governments are spending on forestry propaganda and that the landowner must wait some forty years for his crop, it seems both unwise and unnecessary to put any additional burden on the cost of planting forests. It is only the very wealthy who will use planting stock at a cost of $4.65 per thousand, which is the cost of white-pine transplants delivered in New York this spring. The elimination of the duty will bring this cost down to $3.25 per thousand, placing the trees within the reach of every farmer. The continuance of the duty will restrict planting to persons of wealth or to large corporations who will raise their own plants. The status of the American grower of seedlings will not be affected by the removal of this duty, while forestry will at least be made possible to many millions of landowners.

Respectfully submitted.

ELLICOTT D. CURTIS.

SEEDS.

[Paragraph 254.]

C. C. MORSE & CO., SAN FRANCISCO, CAL., SEED GROWERS AND DEALERS, RECOMMEND SPECIFIC DUTIES FOR ALL CLASSES OF VEGETABLE SEEDS.

48-56 JACKSON STREET,
San Francisco, Cal., January 18, 1909.

Hon. J. C. NEEDHAM,
House of Representatives, Washington, D. C.

DEAR SIR: In the various hearings before the Ways and Means Committee you have probably heard from the American Seed Trade Association, and the Wholesale Seedsmen's League, in regard to changing the duty on seeds to read "specific" instead of "ad valorem."

While the importation of seeds is a small item as compared with the majority of the list that your honorable body must consider, we trust that the committee will feel disposed to make the changes as requested by the seed trade.

Under separate cover we are mailing you one of our retail catalogues. You will find in the seed portion of this catalogue we list 1,360 items, of which 556 items are vegetable, farm, and field seeds. Of this latter division, 149 items are usually imported by us, having a value of 20 per cent of our total requirements; 224 items purchased by us in various parts of the United States, and have a value of 70 per cent of our total requirements; 183 items are grown by ourselves, and have a value of 10 per cent of our total requirements. Of flower seeds, we list 804 items, and of these 591 items are imported by us and represent a value of 50 per cent of our total requirements; 62 items are purchased by us in various parts of the United States, and have a value of 10 per cent of our total requirements; 151 items are grown by ourselves (mostly sweet peas), and represent a value of 40 per cent of our total requirements.

You will see that it is absolutely necessary that we import quite a large percentage of the seeds that we handle. There is no duty at present on flower seeds, but there is an ad valorem duty of 30 per cent on vegetable seeds, and the present method of importing makes

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it almost impossible to avoid constant misunderstandings with the customs authorities, although all of these officials do their utmost to be fair and just.

Most of the vegetable seeds we import are contracted for two years in advance, and there are so many changes in conditions and crops before the seed is delivered that there is almost sure to be a change in the price at the time of delivery.

There is no doubt at all that a specific duty will be the fairest tariff, and we sincerely trust that your committee can make this change in the schedule.

Knowing that you understand California conditions rather better than the other members of the committee, we have taken the liberty of addressing you, and thanking you in advance for your consideration of the matter, we remain,

Respectfully, yours, C. C. MORSE & Co.,
Seed Growers and Dealers.
Per LESTER L. MORSE,
President and Manager.

CODFISH, MACKEREL, AND HERRING.

[Paragraphs 260 and 261.]

THE GLOUCESTER (MASS.) BOARD OF TRADE URGES THAT THERE BE NO REDUCTION OF DUTIES ON FISH.

WASHINGTON, *January 15, 1909.*

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives.

MY DEAR SIR: I inclose herewith a brief from the president of the Gloucester Board of Trade, representing the fish producers of that city.

In this brief he protests against any reduction in the present duty on codfish, herring, and mackerel. He points out that the wages of fish handlers are about twice as high in the United States as in Nova Scotia, and he also invites attention to the comparative cost last year of building the fishing schooner *Clintonia*, of Gloucester, and its twin, the fishing schooner *Clintonia*, of Lunenberg, Nova Scotia. The *Clintonia*, of Lunenberg, cost, fully equipped, $9,400, while the *Clintonia*, of Gloucester, fully equipped, cost $15,600.

It is also stated in the letter that the fish business in Gloucester has never produced a man wealthy enough to retire from the business.

Very truly, yours,

A. P. GARDNER.

GLOUCESTER BOARD OF TRADE,
Gloucester, Mass., January 14, 1909.

Congressman A. P. GARDNER,
Washington, D. C.

DEAR SIR: Having learned that certain commission men in other cities have started an agitation for the reduction of the present duty on salt fish, and knowing that any reduction of duties would be a great

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hardship on the producers of this commodity, I considered it wise to present our case to you and ask you to kindly put it before the proper authorities.

There are many reasons why this protection is necessary, but the principal ones are:

First. The great difference in the price of labor here and in the provinces and Newfoundland.

Second. The difference between the cost of our vessels and the cost of those made in these other countries.

Third. The greater cost and higher standard of living of our people as compared with those of Nova Scotia and Newfoundland.

Labor.—I have a letter from one of the large producers and vessel owners in Nova Scotia in which he states that men who work on fish are paid from 12 to 15 cents per hour, while our men are paid from 27½ to 32½ cents per hour. It is impossible to state just what proportion the labor cost is to the whole of the manufacturing product on account of the variation in the price of codfish. The fact that our men on board the vessels catching fish are not paid by the day or month but are shareholders in the voyage and are paid in proportion to the amount of money that the whole trip sells for when the vessel arrives, also adds to the difficulty of making an accurate estimate of what proportion the labor cost is to the whole. It is fair, however, to state that the same ratio of difference in the cost of producing on board the vessels exists as in handling the fish on the wharf after they are landed from the vessels.

I have not been able to get an accurate account of the wages paid in Newfoundland from men working on fish, but I have reason to believe that it is lower than Nova Scotia. I do know, however, that on the east coast of Newfoundland, where the greater part of the codfish that are dressed ashore are caught, the men catch the fish and the women and children dress them. It is a well-known fact that in the Green Bay and White Bay districts, and also farther north on this Newfoundland coast, the men go out in their boats in the morning and bring the fish in round just as they are caught, and the women and children of the family take out the entrails, cut off the heads, and remove the backbone of the fish, and also salt it; so that the only part of the business done by the men is the actual catching of the fish. It is unnecessary for me to call your attention to the importance of this, and to the comparatively light cost of labor there.

We have a great many different grades and styles of packing codfish, which makes it difficult to give an accurate estimate of the cost of preparing for the market, but on the higher grades of fish, where the bones are all removed, I consider that approximately 2 cents per pound labor cost from the time the fish comes from the vessel until it is packed in the small package would be a fair estimate. This together with the extra cost of producing the fish on board of our vessels will more than offset the protection that we are getting, and we could not compete even with the duty were it not for the fact that our men work harder, and on a great part of our product we are nearer the consuming centers than they are and thereby make a saving in freight.

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Owing to the fact that lumber, labor, and most everything that goes into the construction of our vessels is so much higher here than in Nova Scotia and Newfoundland, our vessels cost us a great deal more than theirs. As an illustration of this I will take the schooner *Clintonia*, which was built here last year for Orlando Merchant, and the schooner *Clintonia* of Lunenburg, Nova Scotia, built at the same time and off the same model, being exactly the same size, and therefore should be of equal value. The captain and part owner of the Nova Scotia vessel, however, told me that he considered his vessel better on account of the larger amount of hard wood being put in her than in the Gloucester schooner. This Nova Scotia *Clintonia* cost, ready for the Banks, $9,400, while the Gloucester *Clintonia* cost $15,600. Part of this difference was due to the difference in cost of fishing gear, dories, hooks, etc., and also to the lower standard of living of their men than ours, as this amount included provisions as well.

Now, please take into consideration the fact that a vessel of this type in Gloucester will depreciate $2,000 the first year, $1,500 the second, $1,000 the third, and so on in proportion until she gets down to about $7,000, at which figure we carry her for some time.

There is also the danger of losing a vessel, which is always with us, and you will readily see that we are taking the same chance with a vessel that costs $15,600 as they are with theirs that costs $9,400. The Newfoundland vessels are a great deal cheaper than the Nova Scotia; in fact, the greater part of them are vessels that have done service here and become too old and unsafe for our men to go in. The Newfoundlanders, however, can use them, as they are so near the fishing grounds, and the greater part of them fish right near the shore and escape the storms. Our vessels, however, are used in the deep-sea fishery, and we are therefore compelled to have the very finest type in order to enable them to stand the battling that they get in the winter time in going to and coming from the Banks

All that I have said in reference to the codfish applies to the herring, excepting there is not so much labor on the herring after they are landed from the vessel as on codfish. We are at the same disadvantage, however, as far as the cost of the vessels and running them is concerned. This, together with the difference in the wages paid to the men, is fully equal to the amount of protection we get from the United States Government. On an ordinary Newfoundland herring voyage a Nova Scotia vessel has advantages enough to offset the protection we get. To substantiate this statement I can show you that Gloucester men have gone to Nova Scotia and chartered Nova Scotia vessels to go to Newfoundland for frozen herring and pay the duty rather than charter a Gloucester vessel and have the herring admitted free. As far as labor is concerned, we have very little argument for a duty on mackerel, as there is very little labor on this class of goods. However, we still have the cost of vessels and also their maintenance to contend with, and we therefore feel that the duty on mackerel is a necessity. In addition to these other advantages that the Nova Scotia fishermen have, there is the bounty paid by the government, and I also understand that the government has helped to build cold storage plants along the coast in order to

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enable the fishermen to get their bait cheaper and also to have it ready for them at all times.

We can not continue to carry on the salt-fish business without the protection we are now getting, and if it is removed the result will be that in the course of a very few years the Nova Scotian with his cheaper vessels, cheaper labor, etc., will have the business. I can not believe that there will be any advantage derived by the consumer if this condition is brought about, as there will be nothing to prevent the Nova Scotia dealer getting as much for his fish as we do now, when he has the market to himself.

In conclusion, I will merely add that there is no monopoly here in the salt-fish business, and our business is carried on at a very small margin of profit. There are many concerns here all acting independently, competing all the time, both in buying and selling, and I can truthfully say that there is not a rich man engaged in the business. In all the years that this business has been carried on in Gloucester the industry has never produced a man wealthy enough to retire from business.

Yours, very truly,

THOS. J. CARROLL,
President Gloucester Board of Trade.

PINEAPPLES.

[Paragraphs 263 and 268.]

HON. J. KALANIANAOLE, DELEGATE FROM HAWAII, SUBMITS BRIEF RELATIVE TO CANNED AND FRESH PINEAPPLES.

WASHINGTON, D. C., *January 18, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

MY DEAR SIR: Since you have personally visited Hawaii and have a general knowledge of the great importance of the pineapple industry to the best development of those islands, I wish to bring to your attention certain facts in regard to the tariff on pineapples.

First, in respect to the last clause of paragraph 263, recent court decisions have almost wholly changed the apparent intent of the framers of the Dingley Act, and now admit all canned pineapples as "preserved in their own juice," even though containing as high as 33 per cent of sugar. As a result, canned pineapples, instead of having the protection of 1 cent per pound plus 35 per cent ad valorem accorded to all other canned fruits, have only the 25 per cent ad valorem, which amounts in practice to about one-half the other duty.

When the Dingley Act passed the House it did not contain the separate clause of paragraph 263 for pineapples; as inserted in the Senate and agreed to by the House it was understood to cover only pineapples contained in their own juice.

Under the present misinterpretation of the law it is clear that the Singapore and Bahama packers have the benefit of free entry for the sugar contained in the pineapples, beside the advantage of free tin and immensely cheaper labor.

To correct this, the last clause of paragraph 263 should have added to it the words "without sugar or spirits added thereto."

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With respect to fresh pineapples the present duty is very insufficient and is far below that provided for all other American-grown fruits.

Inasmuch as the Florida and Hawaiian growers can now supply the larger part of the fresh pineapples consumed in the United States, it is manifestly unfair to subject them to a ruinous competition with foreign growers, such as is not permitted in the case of any other fruit, and clearly should not be in any line of American industry.

As regards the request of the Baltimore packers that they should have free entry of fresh pineapples for canning, this is merely a move on their part to prevent a proper increase in the duty on the fresh pines. Clearly there is no more reason why they should have free pineapples for canning than there is why packers of orange marmalade should have duty-free oranges.

The present insufficient duty on fresh pineapples is not only a barrier to the domestic producer for the fresh-fruit trade, but it also undermines the canned pineapple business by admitting fruit for packing that is produced under enormously cheaper conditions.

Inasmuch as the present cubic foot rate of paragraph 268 is based on an estimate of 10 pineapples to the foot, whereas the actual average is 15 per cubic foot, it would be necessary to increase the cubic foot rate by one-half, merely to make it a proper equivalent to the present low rate per thousand.

If a rate of $12 or $15 per thousand were made on fresh pineapples and the equivalent made on a basis of 15 pines to the cubic foot, it would not be a prohibitive rate for the fresh fruit trade; it would merely prevent the dumping of surplus stock from Cuba, and such a rate would doubtless yield fully as much revenue as the present rate.

Even that would be a far lower rate than is imposed on any other variety of fresh fruit that competes with domestic production.

The pineapple industry of Hawaii is one that greatly helps in making possible a citizen agricultural population in those islands. For this important reason, in addition to the general principle of protection, it is earnestly desired and highly proper that pineapples should be given protection more nearly approaching that accorded to other domestic fruits.

Very truly, yours,

J. K. KALANIANAOLE,
Delegate from Hawaii.

VARIOUS NEW YORK IMPORTERS OF CUBAN PINEAPPLES FILE SUPPLEMENTAL BRIEF IN FAVOR OF THE DUTY FREE ADMISSION OF CUBAN FRUIT.

NEW YORK CITY, *February 16, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, importers of pineapples from Cuba, beg to submit this supplementary statement pertaining to the matter of tariff duty on Cuban pineapples.

We refer the committee to our first statement, and would here emphasize and repeat that the industry of pineapple growing, harvesting, transporting, and marketing is chiefly an American industry,

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wherein a large portion of the capital invested and labor employed is American, and also wherein the wrapping paper, steel nails, and box materials are all purchased from the factories and dealers located in the United States, and the transportation of these supplies to Cuba and of the pineapples from Cuba to the several ports of entry in the United States is in American bottoms.

And in addition to the above repetition and claim that we represent that which is largely an American enterprise, we beg to state that in the three questions or points involved in the assessment of tariff duties, namely, the protection of American industries, capital, and labor, the revenue derived for the benefit of the Government, and the interests of the people at large in the articles taxed, there is little or no reason whatsoever for levying a duty upon Cuban pineapples, because—

First. As to the feature of protection to American industries, it is well known that pineapples are produced in large marketable quantities in the State of Florida only, and 90 per cent or more of these are raised along the Florida east coast—from Fort Pierce to Miami. A list of pineapple growers in this territory, prepared by reliable transportation agents, shows that there are less than 200 persons interested in the cultivation of pineapples for market, but over 80 per cent of these are engaged also in addition to pineapple production in raising vegetables and other fruits. Then, as to the amount of capital invested by these pineapple growers, it is fairly within the facts to allege that the largest item of their investment in Florida pineapple fields is not cash or money capital, but it is the personal time and labor of the owners. The first cost of the land averages less than $25 an acre, to which is added expenses for clearing, fertilizing, planting, cultivating up to the time of fruitage, which aggregate about $50 per acre, from which is gathered the first season from 100 to 300 crates of pineapples that return a net average to the grower of $1 per crate, or from $150 to $300 per acre net profit per year, which increases yearly for five years with a decrease of expenses equal to the first expenditures for land, clearing, planting, and the greater part of expenses for labor in cultivation.

Wherefore the amount of capital involved in the Florida pineapple industry is in fact a minimum element and finds its highest reward in the profit derived therefrom and does not require the protection afforded by a high tariff duty on imported similar products.

And now, as to the labor feature of this matter, we can state that during the harvesting and shipping season from June to the middle of August, when the largest number of laborers are at work, the total number does not exceed 1,000 men, and many of these laborers are imported from the Bahamas and other nearby islands, not belonging to the United States; and only a very few, probably not 100 laborers in all, gain their only support from work in pineapple fields.

The Florida pineapple has peculiar characteristics, which make it almost wholly a special commodity in all markets, commanding higher prices for eating in its fresh state than any other pineapples from any section whatsoever, and it matures at a time when the bulk of the Cuban pineapples in particular have been consumed, so that in reality the Florida pineapple does not require any protection from competition with imported pineapples, as it enjoys a monopoly already in its peculiar features and by the fact that it has the markets almost entirely alone when the crop is ready for sale and distribution.

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Again, protection by a high-tariff duty is granted when it will encourage the development of an industry which can supply all the requirements of the people at large for the article produced; and on this point Floridians can not maintain a demand for an increase in the duty on Cuban pineapples, because of the limited area of land on which pineapples can be produced as on the east coast. It is an admitted fact by those interested in and who have knowledge of the lands in the aforesaid section of Florida that the area of land suitable for the raising of the red Spanish pineapple had been pretty nearly taken up and used; and it is therefore a fair inference to make that the utmost capacity for raising pineapples is confined to this limited area which could not, if all planted and under cultivation, produce a total crop of pineapples sufficient to supply the normal demand in the United States for pineapples for all purposes.

Then, too, the Florida pineapple is comparatively dry and has a large, coarse core or heart, and on account of these characteristics does not yield enough juice and saccharine matter to make it desirable for packing and preserving.

This feature of the question applies and includes that portion of the pineapple trade which consumes more than 50 per cent of the Cuban pineapple imports for packing, canning, and preserving purposes, covering a large number of manufacturers in every part of the United States, whose plants and capital and labor would suffer material financial losses if the importation of Cuban pineapples is prohibited by an increased tariff duty, because, as described above, the Florida pineapples are not suitable for packing purposes.

Taking all these foregoing points and facts into consideration, therefore, we claim that, so far as the element of protection is concerned to this American industry, it is reduced to such an insignificant quantity as not to justify a tariff duty on pineapples at least so high as would prohibit altogether or lessen in quantity the importation of pineapples from Cuba, where this industry is, as stated above, equal in all respects to the American elements of the Florida industry.

It is well to state at this point that the margin of profit on Cuban pineapples is now so small under the prevailing conditions, cost, and expenses of producing, shipping and marketing the product, with the duty of 14 cents per crate, as to make any added burden of cost prohibitive, and an increase of duty would mean the abandonment of the pineapple industry in Cuba.

Second, as to revenue. The revenue from the importation of Cuban pineapples under the present rate of duty is about $150,000 per annum.

As a matter of business principle that revenue will be decreased under a higher tariff duty because of the decrease in quantities of pineapples imported, and on the other hand the amount of revenue will be increased under a lower tariff duty because of the increase in imports.

Third. As to the interests of the public at large so far as pineapples are concerned, it can be stated as being within the knowledge of many that as an article of food desired for its pleasant flavor; for its dietetic qualities in aid of digestion; for its medicinal elements in cases of diphtheria and other pulmonary diseases, there is at the present time a normal demand for consumption in the United States for all purposes of nearly 3,000,000 crates, which demand seems to be increasing year by year. It is right and just that this demand of the people for

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pineapples should be supplied at the most reasonable rate when it can be without injury or loss to larger interests if such exist.

The east coast of Florida can not produce under the most favorable conditions, one-half of the normal demand for pineapples in this country, but on account of damage by cold waves the product of Florida is variable, some seasons failing entirely because of a freeze, sometimes having only a portion of a normal crop, and only once in five years, as a rule, having a full yield of about 700,000 crates.

Even now, on account of a visitation of a cold wave January 31, more than 25 per cent of the pending crop of pineapples on the east coast of Florida were destroyed, and the possible quantity to supply the demand in the United States of 3,000,000 crates, as before stated, is reduced to about 400,000 crates.

Referring to the "Supplemental statement submitted by E. P. Porcher" Friday, December 11, 1908, we would beg to state that we hereby make a general denial of every material statement made by said Porcher. He has exaggerated the statistical data of cost and expenses of pineapple raising and marketing in Florida, and he has depreciated the cost and expenses of the same industry in Cuba beyond all possible cases within the range of truth.

It can be demonstrated that if there is a difference in cost and expenses between the Florida and Cuban pineapples the advantages of the lesser amount is on the side of Florida's product. And also the fact that as the Florida fruit sells at prices averaging 50 cents per crate more than is obtained for Cuban pineapples, even during a season when the greatest quantities of pineapples have been imported from Cuba, which, being added to the lesser cost of production in favor of the Floridas, places them high and dry from any possible danger of a diminution of their good and easily earned profits.

And to summarize, we beg to state on the vital point of competition as between Florida and Cuban pineapples that such competition is reduced to a meager, almost imperceptible, quantity because—

First. The Florida pineapple possesses a quality and natural characteristic which differentiate it from all other pineapples as a luscious table delicacy and make it a distinct specialty in the fruit trade, which protects it more surely from competition from other pineapples than anything else could do.

Second. The Cuban pineapples arrive and are consumed very largely before the Floridas are ready for market.

Third. The normal total consumption of pineapples in the United States is 3,000,000 crates, of which Florida could not supply more than 1,000,000 crates at the utmost, so that there is no competition dangerous to Florida in the supply to this country of the needed quantity over and above that which can be produced from Florida.

Respectfully submitted.

L. J. P. BISHOP COMPANY,
By P. J. P. BISHOP, *President.*
W. H. BROWN & CO.
MCCORMICK, HUBBS & CO.
BUHL MILLS CO.,
D. W. BUHL, *President.*
A. BENNETT & CO.
THE ROJAS HUTCHESON CO.,
Per W. A. HUTCHESON, *Vice-President.*
PHILLIPS & SONS.

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J. S. JOHNSON CO., NEW YORK CITY, ASKS THAT THE DUTY ON CANNED PINEAPPLES BE REDUCED TO TWENTY PER CENT.

17 BATTERY PLACE,
New York City, February 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: It has come to our attention that the combination of Hawaiian pineapple packers has asked Congress for an increase in the duty on canned pineapples when containing a little sugar. This small quantity of sugar is for sweetening, not for preserving. The fruit is preserved by sealing and sterilizing—not by sugar. It is not a preserve, but ordinary canned fruit.

We are packers of pineapples in the Bahama Islands. The Bahamas buy about 75 per cent of their imports in the United States. We buy our sugar, tins, labels, cases, and even the nails, in the United States.

We ask that the duty on "pineapples preserved in their own juice" (par. 263 of the present law) be reduced to 20 per cent, or at most be left at the present rate, 25 per cent, and submit the following reasons in support of our request:

The indications are that the Hawaiian Packers' Association is a combination in restraint of trade. We inclose herewith a pamphlet issued to the trade by the Hawaiian association which we have marked "Exhibit A, submitted by the J. S. Johnson Company." This shows that eight different companies join in one advertisement, which says, "We do not advertise any particular brand."

We also submit three price lists of Hawaiian pineapples, which agree in price, except that there are one or two reductions in the price lists of later date. One is issued by J. K. Armsby & Co., who, as shown by Exhibit A, are agents of one of the Hawaiian concerns; another is issued by Hunt Brothers & Co., agents of another concern in Exhibit A, and the third is issued by Johnson, North & Co., of 111 Hudson street, New York, which is the address of another agent as given in Exhibit A. These are marked Exhibits B, C, and D, submitted by J. S. Johnson Company.

The companies in this association apparently include the entire pineapple packing industry of Hawaii, and they are undoubtedly able to control the price at which they purchase from the individual farmer, and they can also control the selling price, if the tariff is such as to eliminate competition.

The Hawaiian packers do not need protection. We understand that pineapples are ripening in Hawaii almost all the time, and that the canning season is from ten to eleven months in each year. In the Bahamas our packing season only lasts three months.

Hawaiian pineapples are being sold to-day in New York for less than Bahamas. The price lists above referred to show that the No. 2 extra sliced is sold at $1.65 per dozen ($1.45 f. o. b. Honolulu, plus 20 cents for freight). Our price for the same kind of a can of Bahamas is $1.75 per dozen.

The Hawaiian packers have the latest improved machinery, and with the best possible quality of natural fruit in abundant and continuous crops, and with the additional advantage of the present

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duty, they will probably be able to drive all other pineapples out of the market and then fix prices to suit themselves.

The statement made to your committee and published on page 4635 of the tariff hearings states in effect that the Treasury Department properly construed paragraph 263 of the present law and that the decision of the United States circuit court of appeals is "misinterpretation." It is also stated that recent court decisions practically hold that all canned pineapples may be entered at the lower rate irrespective of the quantity of sugar added, and that canned pineapples containing 33 per cent of sugar have been held dutiable as preserved in their own juice.

The court of appeals, we believe, decided in accordance with the spirit and purpose of the law, that the higher duty applied to the more luxurious and expensive article, preserved fruits, where sugar is the preservative, and that the ordinary canned pineapple was dutiable at the lower rate, whether packed in water only or sweetened.

In the single case where 33 per cent of sugar was found in Bahama pineapples by analysis, that included the sugar occurring naturally in the pineapple, which ranges from perhaps 10 to 15 per cent. The sugar added to Bahama pineapples is 2½ to 3 ounces in a No. 2 can, which contains about one and one-fourth pounds. There is never a fixed amount of sugar found by analysis, because, if the fruit be a little riper, it contains more sugar. The statement, therefore, that the sugar runs from 8 to 47 per cent, is not true of Bahama pineapples, as the natural sugar in the fruit averages about 14 per cent and the highest total sugar ever found was 33 per cent, including the large amount of sugar inherent in the fruit, and that was only in one instance.

The Hawaiian packers do not object to the admission of pineapples without added sugar at 25 per cent, the present rate, but if a little sugar be added, they want more than double duty.

For these reasons, we recommend the following provision, which we believe would carry out the purpose of the present law, and at the same time put an end to the litigation now in progress, and do away with chemical analysis:

Pineapples in tins, sweetened or unsweetened, but not preserved by sugar or alcohol, twenty per centum ad valorem.

Respectfully submitted.

J. S. JOHNSON CO.,
JOHN O. GODWIN,
WALDEN & WEBSTER, *Attorneys,*
17 Battery Place, New York.

(Exhibit A filed with committee.)

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EXHIBIT B.

CHICAGO, ILL., *February 10, 1909.*

HAWAIIAN PINEAPPLE.

GENTLEMEN: Supplementary to our advice No. 14, quoting reduced prices on Thomas Pineapple Company's packing, we beg to announce that these prices apply to summer pack of 1909, as well as spot stocks, and are as follows:

	Brand "Thomas's best" (extra).	Brand "Pride of Hawaii" (standard).
Sliced:		
No. 2½, tall	$1.75	$1.50
No. 2, tall	1.45	1.25
Grated and crushed:		
No. 2½, tall	1.50	.....
No. 2, tall	1.35	1.25
No. 8, in juice	4.25	4.00
No. 8, in sirup	5.00	4.75
Irregular cut pieces:		*Special.*
No. 2½, in juice	.....	1.60

We have to offer a limited quantity of spot stocks in San Francisco, Chicago, St. Louis, and Columbus.

The above prices are per dozen f. o. b. Honolulu or San Francisco, seller's option. If shipped from Honolulu, freight guaranteed, same rate as from San Francisco.

To the f. o. b. prices add for spot stocks, on No. 8, 85 cents per dozen; on No. 2½, tall, 28 cents per dozen; on No. 2, tall, 20 cents per dozen.

You will then have the f. o. b. prices at the points above referred to.

The Hawaiian pineapple advertising campaign has stimulated an active demand, especially for futures, at these low prices, and we solicit your orders for the Thomas brands, the quality of which we will be pleased to demonstrate by sample if you are not already familiar with the excellence of this packing.

Hoping to be favored with your liberal orders, we are,

Yours, truly,

THE J. K. ARMSBY & CO.

EXHIBIT C.

SAN FRANCISCO, *January 26, 1909.*

Following are the prices quoted by the Hawaiian Pineapple Company, subject to change without notice:

	Sliced.	Grated.	Crushed.
Extra:			
No. 2½	$1.75	$1.65	$1.65
No. 2, squat	1.60	1.50	1.50
No. 1½, flat	1.25	.....	.....
No. 2, tall	1.50	1.40	1.40
No. 2, tall, in juice	.....	1.30	1.30
No. 1, flat	1.00	.90	.....
No. 8, sweetened	5.50	5.00	5.00
No. 8, in juice	5.00	4.25	4.25
Standard:			
No. 2½	1.50	.....	.....
No. 2	1.25	1.25	.....
No. 8, sweetened	5.00	4.75	4.75
No. 8 in juice	4.50	4.00	4.00

Prices are f. o. b. San Francisco or Honolulu, seller's option. If shipped from Honolulu, freight guaranteed not to exceed rate from San Francisco. Prices guaranteed against our own decline up to July 1, 1909.

Other terms as per our regular pineapple contract.

HUNT BROTHERS COMPANY, *Sole Agents.*

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EXHIBIT D.

111 HUDSON STREET,
New York, February 11, 1909.

HAWAIIAN PINEAPPLE.

Following up our circular of February 5, we inclose samples of our extra labels "Hawaiian Crown," "Griffon," "Del Monte."

In sending your orders for direct shipments from the islands to get in on proper basis, specify brand you desire. The principal sellers are

Prices f. o. b. Honolulu.

No. 2½ extra sliced	$1.75
No. 2½ extra grated	1.50
No. 2½ standard sliced	1.50
No. 2 extra sliced	1.45
No. 2 extra grated	1.35
No. 2 extra tidbits	1.50
No. 2 standard sliced	1.25
No. 2 standard grated	1.25

The freight would figure about 20 cents per dozen on No. 2 and 25 cents per dozen on No. 2½. Let us have your requirements, so as to give you early shipments.

We have the following spot goods to offer:

100 cases No. 1 tall extra sliced	$1.35
10 cases No. 1 squat sliced	1.10
10 cases No. 1 picnic grated	1.00
25 cases No. 2 Royal Hawaiian extra grated	1.55
24 cases No. 2 Mission standard	1.45
41 cases Gal. Royal Hawaiian extra grated in sirup	5.75
2 cases Gal. Royal Hawaiian tidbits in sirup	6.25
2 cases Gal. Royal Hawaiian tidbits in juice	5.75
8 cases Gal. Mission standard grated in sirup	5.50
100 cases Gal. Royal Hawaiian extra crushed in sirup	5.75
50 cases No. 2 Royal Hawaiian extra tidbits	1.70
99 cases No. 2 Royal Hawaiian extra sliced	1.60
250 cases No. 2 Mission standard sliced	1.45

Trusting to hear from you, we remain,
Yours, very truly,

JOHNSTON, NORTH & CO.,
Canned Goods.

R. TYNES SMITH, BALTIMORE, MD., REPRESENTING THE J. S. JOHNSON COMPANY, OPPOSES ANY INCREASE IN THE DUTY ON CANNED PINEAPPLES.

NASSAU, NEW PROVIDENCE, *February 24, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Since the writer had the honor of presenting to you in person a few weeks ago a suggestion for amendment of the paragraph in the present tariff relating to canned pineapples, I am informed that you have been requested to change said paragraph so as to impose a duty of 35 per cent ad valorem and 1 cent per pound specific on canned pineapples containing sugar or alcohol.

The J. S. Johnson Company, whose interests I am especially representing as its vice-president, is a New Jersey corporation with principal office in New York. A large majority of its stock is owned and its affairs controlled by citizens of the United States. Because of this we confidently ask of your body that our interests be considered and treated equally with those of other citizens.

Our company has for many years been canning pineapples in the Bahama Islands, where it has large interests in land and other proper-

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ties. Annually for about twenty years we have paid many thousands of dollars into the Treasury of the United States by way of duties.

All our cans, cases, labels, supplies, and machinery are purchased in the United States and transported to the Bahamas, and our goods brought back in American vessels. Everything we use in our business except the fruit and the labor of preparation is American, and as about 70 per cent of the total importations of the Bahamas is from the United States it is apparent that every dollar we pay out for fruit and labor, about 70 per cent is expended by the natives in purchasing products of the United States.

Indeed, while the Bahamas, politically, are a foreign country, industrially and commercially they are, perhaps, more American than some of our own insular possessions.

The canned pineapples we produce are of two classes—sugared and natural. In every respect but sugar the two classes are identical in character and cost. To illustrate, a case of our No. 2 sliced pineapples contains 24 cans, in which are packed 18 pounds of fruit. The cost of this fruit and labor of preparation is about 90 cents for the case. To make sugared goods we add about 10 cents' worth of sugar to the case, bringing up the cost of this to about $1. Under the tariff we understand you are asked to impose, we would pay 25 per cent on the cost of a case of our natural goods, or 22½ cents, while on a case of our sugared goods we would pay 35 per cent on $1 cost and 18 cents specific, or 53½ cents. This difference of 30½ cents per case is equivalent to a tariff of over 300 per cent on the sugar we use.

The effect of such a tariff would be to compel us to abandon the production of the sugared goods, and this is doubtless the object sought by those who have suggested the rate to you.

We protest that it would be a gross injustice for the Government to destroy the business of one group of its citizens, in order that some other group may enjoy a monopoly, and, further, it would be unwise in that a source of revenue to the Government would be cut off.

The packers of pineapples in Hawaii are probably most interested in urging the higher duty, but the marvelous growth of their business in the last five years—from 20,000 cases in 1904 to 370,000 cases in 1908, and a probable 700,000 cases in 1909—would seem to indicate that the duty of 25 per cent flat on both natural and sugared goods, as suggested by the writer, is an amply sufficient protective measure for them, and would leave their less fortunate fellow-citizens of the Bahamas industry at least a fighting chance to retain their little business.

It is quite possible that the importation of canned pineapples from Singapore may complicate the situation, for, while some of my arguments would apply in the case of these goods too, others would not. So far as I know American citizens are not owners of the Singapore factories and our commercial relations not nearly so close and intimate as with the Bahamas.

I venture to suggest for your consideration the adoption of a clause in the new tariff bill embodying substantially the following idea:

When it can be shown to the satisfaction of the President and Secretary of the Treasury that more than 60 per cent in value of the total importations of any foreign country consists of the domestic products of the United States, such country shall be entitled to a rebate of 50 per cent of the regular schedule on importations of its own domestic products into the United States, provided that no export duties are levied by such country on such products.

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Some such simple, automatically operating law would provide a powerful and widespread stimulant to increased use of American products, perhaps particularly in West Indian and South American countries, and supply a form of reciprocity well calculated to increase the foreign commerce of our country, especially of the exports of our domestic products.

Respectfully submitted.

R. TYNES SMITH,
607 American Building, Baltimore, Md.

RAISINS AND CURRANTS.

[Paragraph 264.]

M. F. TARPEY, FRESNO, CAL., FILES SUPPLEMENTAL STATEMENT RELATIVE TO THE RAISIN INDUSTRY.

FRESNO, CAL., *January 11, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Permit me to reply to the communication of Wm. A. Higgins & Co., addressed to your honorable body under date of December 3, 1908.

That communication, as printed in the record, specifically states that it is put forth because of my presentation of California's position on the raisin and currant schedule on November 18, 1908.

Your attention is respectfully directed to the fact that Messrs. Higgins & Co. have not once in the said communication challenged or assumed to controvert the facts set forth by me in the paper filed with your committee on November 19, 1908; their paper is the special plea of the importer in the unending struggle between importer and producer. They assume to decide for the producer, which accords with the importer's usual assumption that the producer is incapable of deciding for himself, and condescend to advise what they consider is necessary and unnecessary for him.

I stated that the so-called Zante currant is a dried grape, and therefore a raisin, and I now refer you to the full report of Mr. David G. Fairchild, agricultural explorer of the United States Department of Agriculture, to the Secretary of Agriculture, under date of April 5, 1901, printed by the Government (from which an extract only was included in my above-mentioned paper of November 19, 1908), in which Mr. Fairchild gives a detailed account of the so-called Zante currant from the planting of the vine to the marketing of the crop. Mr. Fairchild unequivocally states that it is a grape grown on a vine (and, of course, in its dried state a raisin). I therefore put forward Mr. Fairchild (a government representative, officially reporting to his Government) as my "unbiased expert" in answer to Messrs. Higgins's statement that "Mr. Tarpey stated that Zante currants are nothing more or less than seedless raisins, but no unbiased expert will agree with that statement."

To the statement of Messrs. Higgins that "currants are used simply because they have a flavor desired and preferred by some consumers in preference to any seedless varieties of raisins," they (Zante cur-

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rants) are very dissimilar, both in appearance and flavor, or I again bring forward my unbiased official expert, Mr. Fairchild, who minutely describes the method of curing the so-called Zante currant, which method is, in itself, enough to change both their appearance and flavor, for he describes them as being (universally) spread to dry on a paste made from cow dung, which I freely admit should unquestionably change the fruit in appearance and impart to it a flavor peculiarly its own.

People have, by use, become accustomed to accept and even crave many strange flavors, but I believe this latter to be the strangest of all flavors to grow into a demand.

To the statement of the Messrs. Higgins that "if the time was not so limited we could find a United States court decision in support of this contention" (the dissimilarity in appearance and flavors), this action was brought in the interest of the California growers during the life of the Wilson tariff law, under which currants were admitted free of duty, and the action sought to have currants declared to be raisins, on which a duty was imposed under the same tariff law, and the action, we repeat, was unsuccessful.

I have only to say that California raisin growers disclaim all knowledge of any such suit and do not believe any such was ever filed; if any such action was ever brought it was not either inspired, initiated, or prosecuted by the California raisin growers, who disclaim all knowledge of or responsibility for such a proceeding and who aver that if such a suit was brought it must have been a collusive one.

As to the Wilson tariff bill, which brought the California raisin growers (among the rest) to the verge of bankruptcy, they recall it as a frightful nightmare.

As to the industry of cleaning so-called currants, pleaded for by both Wm. A. Higgins & Co. and the W. H. Marvin Company, have to say that, primarily, I am delighted to learn that a process of cleaning them has been instituted, but I fail to see the merit of hampering and injuring an industry in which over 4,000 male adult producers (average 5 to a family, 20,000 people) are exclusively engaged and upon which they are dependent for a livelihood; which furnishes employment to thousands of others; which is the main support of the industries and activities carried on by about 40,000 people engaged in all the ramified arts, professions, and occupations of life; which represents an investment of some $40,000,000 of taxpaying property, for the pleasure of entrenching Messrs. Higgins & Co. and the W. H. Marvin Company in the business of taking the sand out of (while preserving the peculiar flavor) so-called Zante currants.

As the mouthpiece of my people, for whom I have the honor to speak, I stated in my former paper that raisins under the stimulus of the tariff had grown from nothing to its present proportions; that in so developing the consumer reaped the benefit of a much reduced price for the commodity as the industry developed and the monopoly of the foreign producer was weakened; that the consumer to-day was getting raisins at almost the cost of production, manufacture, and carriage, all of which would be altered were any decrease in the tariff carried; all of which I reiterate and affirm. I also set forth that we are sorely oppressed by the admission of so-called Zante currants (under a misnomer and subterfuge) at less than raisin (which they

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are) rates; and asked your honorable body to rectify that wrong. In the same behalf I now again avow and petition:

That the present duty of 2½ cents per pound is indispensable to the preservation of the raisin industry in America.

That the American consumer has largely benefited from the foundation of the industry in America.

That the American Government has benefited by the revenues collected on raisins under the tariff.

That so-called Zante currants be required to be entered for import as what they really are, seedless raisins, and so take their proper place on the tariff lists, supporting their proper tariff impost of 2½ cents per pound.

The population of America is increasing amazingly; the promotion of every legitimate industry is judicious for their employment; increasing foodstuffs production is requisite for their maintenance; we now produce annually about 1 pound of raisins per capita; we should produce and consume (for raisins are not only delectable and wholesome, but are also as nutritious, pound for pound, as the best fresh beef) 2 pounds per capita monthly (less than 1 ounce per day per capita), or 24 times our present production; and this most desirable condition we hope to attain by intelligent, laborious exertion on our part, aided by the soil, water, and climate God gave us and the wise determination of you gentlemen who hold the fate of us all in your hands.

M. F. TARPEY,
President Fresno County (Cal.) Chamber of Commerce.

OLIVES.

[Paragraph 264.]

H. C. NEWCOMB, PHILADELPHIA, PA., CHAIRMAN THE OLIVE IMPORTERS' COMMITTEE, CLAIMS THAT THE CALIFORNIA OLIVE GROWER NEEDS NO PROTECTION.

PHILADELPHIA, *January 13, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to a letter filed with your committee by Mr. W. O. Johnson, manager of the American Olive Company, of Los Angeles, Cal., under date of December 18, in which he states that a reduction of 5 cents per gallon in the duty on olives means less than one-third of a cent per bottle to the consumer, and that a reduction of 5 cents per gallon will throw the California grower out of business.

To this the olive importers' committee make answer and take advantage of the opportunity to refer to a question asked by the Hon. James M. Griggs, of your committee, when we appeared before you, viz, "Are you able to state how much the reduction would be on a pint jar of olives?" To this latter inquiry Mr. Bode replied that the small olive when sold in the bottle would probably not be reduced in price, but he omitted to state that that bottle could be increased in size.

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Since Mr. Johnson's letter evinces an interest in the California grower and the general consumer, it is proper to consider those two interests at this time.

The consumer.—After careful figuring, this committee is able to state that the present popular size bottle sold to the consumer at 25 cents when filled with the same size olives as are produced in California contains about 75 olives; a reduction of 5 cents per gallon in the cost of those olives would make it possible for the consumer to buy a bottle for 25 cents which would contain 10 more olives than at present.

The grower.—The California committee state that the grower gets only $31.25 per ton for his olives, and that his net return per acre for labor and investment is only $17.50; that there are about 300 gallons of olives to the ton.

California olives.—At the end of December, 1908, the Chicago agent of the American Olive Company, of Los Angeles, was able to furnish only three barrels of so-called green-cured California olives, for which he stated that the standard price at Los Angeles was 75 cents per gallon in barrels ready to go to the bottler, which is to say $225 per ton. The cost of picking, cartage, curing and the barrels can not possibly exceed $60 per ton, which added to the price paid the grower makes a total of $91.25 cost to the curer ready for delivery. With a selling price of $225 per ton the curer has then a gross profit of $133.75. Obviously the curer needs no protection when the gross profit in barrels amounts to 120 per cent.

Spanish olives.—The California grower needs no protection against the cheap labor and alleged low cost of edible olives in Spain. The cost of Spanish olives on the trees, of the same size as those grown in California, has averaged during the last ten years about $42.50 for the same size ton. This shows that the Spanish grower gets $11.25 per ton more than the California grower, and also shows that the California curer does not pay enough to the grower.

The curer can not allege that he can not pay any more to the grower on account of a low tariff, because the prices to the consumer of California ripe olives under the present tariff are about 63 per cent more than for Spanish olives, while the California curer pays to the grower 36 per cent less than the Spanish curer pays to the Spanish grower.

Not satisfied with these large margins taken from the grower and the consumer, the California committee now ask Congress to increase the duty 10 cents per gallon, or $30 per ton, or about 100 per cent on what they are now paying the grower.

Our committee have already stated that California olives are non competitive with the Spanish olives, and the important bottlers and dealers in California have substantiated our statements in communications to your honorable committee.

Even if Congress should fix an absolutely prohibitory tariff on olives the consumers would not be induced to accept the inferior California olives. As prohibiting the importation of a good article results in the sellers of inferior imitations asking higher prices for their product, it is probable the California producers would then ask more than their present high prices, yet they can not to-day sell their product or 5 per cent of the quantity annually imported.

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In all the years California producers have been cultivating olives they have not as yet been able to produce an olive that is at all like the Spanish olive, and furthermore, from past experience, there is not now an indication that they ever will produce an equal to the Spanish olive. There is a similarity much the same as between an orange and a tangerine, but such a great difference that one could not be used and is not used in place of the other.

Very respectfully, yours,

H. C. NEWCOMB,
Chairman Olive Importers' Committee.

H. C. NEWCOMB, OF PHILADELPHIA, PA., CHAIRMAN OF OLIVE IMPORTERS' COMMITTEE, SUBMITS INFORMATION RELATIVE TO IMPORTATIONS OF OLIVES.

302 WALNUT STREET,
Philadelphia, March 9, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Referring to the book "Notes on tariff revision" prepared for the use of your committee, I notice on page 331, under the heading of "Importations of olives in other coverings," the quantity is given as 2,589,925.80 gallons; value, $1,412,126.92; duties collected, $388,488.92; the equivalent ad valorem is 27.51 per cent.

I see that these figures are taken from the government book "Imports and Duties, 1894 to 1907," and on page 409 of that book I see the above figures represent only the importations of olives green or prepared "in other coverings," at 15 cents per gallon. This brings an average duty of 27.51 per cent ad valorem, which, I think, is misleading to your committee, because on going over the average for ten years I get altogether another result, which I hasten to correct, believing you want to get at the actual facts. The number of gallons imported in those ten years was 18,641,855.32, an average for the ten years of 1,864,185.53. The declared value of these olives during the ten years was $7,947.079.04, an average of $794,707.90 per year. The total duty collected during that period was $2,792,278.42, an average of $279,627.84. The ad valorem rate for those ten years was then 35.645 per cent.

When I had the honor of appearing before your committee in November you remarked that the duty would be 40 per cent on a part of the olives imported, and on the remainder it would be from 27 to 30 per cent, and I ventured to reply "It is pretty close to 40 per cent average, ranging from 20 to 100 per cent." The above statistics for ten years showing 35.64 per cent confirm my statement, as I was talking of the ten years, and you evidently were only thinking of 1907.

I inclose herewith a page from our book entitled "Condensed facts." In it you will note we have stated the value of the olives imported annually at $760,000, whereas the above statistics show $794,707.90. We state the duty paid as $240,000 per annum, while the above statistics show $279,627.84. We gave the quantity of olives annually imported as 1,600,000 gallons, while the above statistics show 1,864,185.53 gallons.

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The discrepancy between our statements and these statistics is easily explained when we call attention to the fact that the government statistics include Greek olives, which are black and dry, and some Italian olives, while ours refer only to Spanish olives. The value of the olives given is probably more or less correct, and the same discrepancy is accounted for by the olives coming from Greece and Italy. The discrepancy between the ad valorem average of 1907 and the preceding nine years comes from the fact that last year's olives were of a large crop and selling very low, with the result that the importers took many of the large sizes, which naturally reduced the ad valorem percentage, but for the ten years it is, as stated, practically 36 per cent.

We therefore contend that 36 per cent on a crude material, which is repacked in America in American-made containers, which cost much more than the fruit itself, is too high a percentage, and that our petition for 5 cents reduction is reasonable. I even permit myself to further suggest that a 20 per cent ad valorem rate would bring more revenue to this Government than 10 cents per gallon, because it would enable us to sell the small size fruit, which the 15 cents specific duty or 36 per cent average ad valorem duty—being equivalent to from 80 to 100 per cent on the small fruit—has practically prohibited our doing in large quantities, thereby preventing the growth of that branch of the business.

Yours, very truly,

H. C. NEWCOMB,
Chairman Olive Importers' Committee.

EXHIBIT A.

CONDENSED FACTS ABOUT THE OLIVE INDUSTRY IN THE UNITED STATES.

Value of Spanish olives annually imported, freight paid	$760,000
Duty thereon	240,000
Value of American-made bottles, cases, labels, etc., annually used in the finished product	1,200,000
Salaries and wages per annum to American citizens	500,000
Profit of the industry	300,000
Total of the industry in Spanish olives	3,000,000

Above figures show the imported Spanish-grown olive is the raw material used in the American industry of bottling olives.

This raw material can not be furnished by California under any circumstances, the California olive being unsuitable for bottling, and no amount of injury to the American industry of olive bottling through higher duty will change the California olive or make it more suitable.

In the name of protection to an American industry we submit the duty on Spanish olives should be reduced from 15 to 10 cents per gallon, these olives being a foreign raw material not produced here and necessary to the home industry.

Average quantity annually imported during ten years ..... gallons	1,600,000
Approximate quantity imported, campaign 1907–8 ..... do	2,750,000
Average annual revenue to the United States, at 15 cents per gallon	$240,000
Estimated annual importations under a tariff of 10 cents per gallon ..... gallons	4,000,000
Estimated revenue to the Government at 10 cents per gallon	$400,000
Quantity California so-called green-cured olives producible under present acreage ..... gallons	30,000
Revenue to the Government	None.

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ALMERIA GRAPES.

[Paragraph 265.]

IMPORTERS OF ALMERIA GRAPES, THROUGH COUNSEL, URGE ABOLITION OR MATERIAL REDUCTION OF DUTY.

MARCH 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I had the honor to file with your committee on December 10, 1908, a brief in behalf of the importers of Almeria grapes. Upon January 29 instant the Grape Growers' Association of California filed with you a brief, in which they denied certain of the data contained in the first above-mentioned brief, and, as we are now in possession of certified figures from Spain touching the question at issue, on behalf of my clients I beg to submit the following as supplemental information upon the question at issue.

It is doubtless true, as asserted by the California Grape Growers' Association, that at times the California fruit has sold at a loss in the New York market. But the same is true to a far greater extent with the Almeria grapes, and it must be kept in mind that while the Almeria grape has virtually only the New York market, the California grapes may be sold in a dozen trade centers throughout the United States, at any one of which they can be laid down at less cost than in the New York market.

In other words, if the Almeria grapes are selling at a loss in the New York market, they would necessarily sell at a greater loss in other markets, freight being added, while in the case of the California grape the loss if sold in the New York market might easily be turned into profit if the grapes were sold nearer home, thus saving freight.

We do not regard this question as vital, however, for we can not consider the tariff as a fairy godmother created to touch with her wand all products and turn loss into gain. If California can not sell her grapes in New York at a profit but can sell them in Denver, Kansas City, New Orleans, or Chicago at a profit, those cities should be her markets. If Almeria grapes can not be imported and sold at a profit in New York, they can not be imported at all. In that case the people must go without, for California can not yet wholly supply the demand for table grapes; and that demand is increasing yearly. If grapes are to be an article of general consumption, both the California and the Almeria grapes are required to meet the demand.

To us, then, it appears that the crux of the question is whether the present duty is sufficient to protect—for it is too small to be discussed from a revenue standpoint—or whether it prohibits. So long as the imported table grapes are less than 25 per cent of the total quantity consumed they do not affect the price of the home fruit.

It must be admitted that grapes have become almost if not quite "necessities," not "luxuries." For table use the California product comes first upon the market and must be eaten within seventy-two hours after it has left the refrigerating car, while the Almeria fruit, arriving somewhat later, is almost entirely kept for consumption long after the California grape has entirely disappeared. Even the Califor-

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nia growers do not claim their grape is in the market after December 5 to 8, while fresh arrivals of Almeria grapes are still being auctioned March 9.

For these reasons the two types of grape do not compete any more than strawberries compete with peaches. Both are table fruits, but they are in the markets for consumption at different times, and the man who purchases the California grape wants it and pays for it with no regard that he can buy Almeria grapes at less or more, and the same holds true to the Almerian.

As we urged in our former brief, the present duty upon Almeria grapes is almost prohibitive. It is true that they are still imported, but it is also true that unless the present duty is greatly reduced the importation of Almeria grapes will of necessity rapidly dwindle toward extinction. I desire to submit the following data to establish this proposition.

I quote first the questions and answers affecting the cost of grape raising in Almeria, as submitted by Manuel Orozco & Co., of date February 10, 1909:

Q. What does grape land cost per acre?—A. Five hundred dollars.
Q. What is a grape vineyard worth per acre?—A. One thousand dollars.
Q. What rental does a grape vineyard demand per acre?—A. Sixty dollars.
Q. How many men are employed on a vineyard producing 500 barrels grapes, for the entire year and at what wages?—A. One man at 50 cents constantly and two men more for two months at 50 cents each per day.
Q. How many extra hands, men or women, are required to pick and pack 500 barrels, and at what wages?—A. Two men at 50 cents and 20 women fifteen days at 20 cents.
Q. What do the barrels cost?—A. Fifty-five cents.
Q. What does the cork packing cost?—A. Fifteen cents.
Q. State accurately all the incidental expenses of a vineyard producing 500 barrels, aside from labor.—A. Sulphate of copper, $10; sulphur, $10; fertilizers, $20; irrigation, $40—altogether, $80.
Q. State what the net returns to the grower have been on the average during the past five years.—A. Almost nothing, and losses in many cases.
Q. State the entire amount of production of Almeria grapes in Spain for the years 1905, 1906, 1907, and 1908.—A. 1905, 1,364,783 barrels, 10,161 half barrels; 1906, 1,686,346 barrels, 4,898 half barrels; 1907, 2,444,297 barrels, 13,263 half barrels; 1908, 1,588,941 barrels, 10,355 half barrels. It is necessary to have 4 acres of land to gather 500 barrels, as an average.

Almeria, February 10, 1909.

MANUEL OROZCO & CO.

The above is signed under the seal of the American consular agency at Almeria, Spain.

According to the best obtainable figures, the cost of Almeria grapes laid down in New York, duty paid, is $3.26 per barrel.

According to our figures, 500 barrels grown on 4 acres cost:

Rent	$240
Men	242
Pick and pack	120
Barrels and cork dust	350
Incidental expenses	80
	1,032

Average cost of 1 barrel to New York, $1.20, $600 for 500 barrels; total cost, $1,632, or $3.26 per barrel.

The average price for five years is $3.25 per barrel.

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Also, we refer to the Monthly Consular and Trade Reports, May, 1906, No. 308, page 100, where Mr. Carlton, consular agent of the United States of America at Almeria, writes as follows:

COST OF RAISING AND MARKETING.

The following statistics relative to the necessary expenses in grape culture have been obtained from various sections of the province, so that the figures represent a reasonable average. I have taken 1 hectare (2.5 acres) as the basis, and the first cost is that of the plantation, the value of the land not being included; 360 vines, $29.40; 250 poles, $61.63; wire, $172.62; work, $32.96; total, $296.70.

The average cost per year for the cultivation of 1 hectare would be $170.97, and the vines will not bear fruit until the fourth or fifth year. As the small properties are 80 per cent of the whole, this annual cost of cultivation would represent a fair average for the entire province. The only expenses represented in the above amount are labor and fertilizers.

The following statement gives an idea of the cost of placing one barrel of grapes on the markets of America and England. The figures indicate average cost of the barrel and contents without considering the market value of the fruit: For barrel and cork dust, $0.57; cutting, cleaning, and packing, $0.03; transportation, $0.12; cost of production of 50 pounds of grapes, $0.40; total, $1.12.

The expenses from the Mole of Almeria to New York or other American ports are averaged at $1.30 and to all English ports $0.55. Total expenses of the placing one barrel on each market would be $3 and $2.07, respectively.

It is apparent that in order to produce a margin of profit to the grower each barrel must bring at least $3.50 in America and $2.19 in England. In making these calculations the recent drop in the rate of exchange of the peseta has been taken into consideration.

You must consider that the expenses he points are higher now than they used to be in 1906 and the exchange is lower, and in spite of that he recognized the price must be over $3.50 per barrel to produce a margin of profit to the grower.

If the duty is eliminated or materially reduced the importation will continue, and doubtless will increase, to the benefit of the revenue and the consumer and in no possibility to the injury of the California fruit.

The duty should be removed, but if made 10 cents per cubic foot rather than 20, as at present, the trade would be able, perhaps, to continue. In any event, if a duty exists it must not depend upon weight, but upon cubic measure, for otherwise the handling of the fruit will destroy it. In this the customs authorities agree with us.

IMPORTERS OF ALMERIA GRAPES,
FRANCIS E. HAMILTON, *Attorney.*

CITRUS FRUITS.

[Paragraph 266.]

THE NEW YORK FRUIT EXCHANGE SUBMITS BRIEF RELATIVE TO COMPARATIVE COST OF PRODUCING LEMONS.

NEW YORK, *January 16, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

GENTLEMEN: The New York Fruit Exchange on December 19 submitted you their memorial regarding the duty on lemons. You courteously gave us permission to present an oral argument in its behalf. As your committee was very much pressed, closing the public hearings,

we deferred this opportunity until you give special attention to the lemon schedule.

In reading over the evidence submitted to the committee we find a great variance, conflicting statements, etc., because each is so directly interested as to be more or less prejudiced. We feel that by our intermediate relation in the trade and long experience we can furnish you with information that is impartial and of direct interest to the Government and beneficial to us.

The Government is anxious to do justice and to maintain its revenue. We, dealers, brokers, and buyers, do not want the foreign business further decreased, as we would lose our most important article of trade; and those associated with us as carmen, clerks, transportation companies, laborers, etc., would suffer. Hence we are aroused in the relation of duty to prosperity.

One of the points of contradictory evidence is in the cost of producing; for instance, the California growers claim the cost of labor on each box of lemons is $1, while the entire cost per box is only $1.48 f. o. b. On oranges the labor cost, they claim, is 59 cents, while the entire cost per box is $1.05 f. o. b. Their combining orange and lemon statistics in regard to cost of production is for their purpose. From all our sources of information we are unable to confirm this labor cost on lemons. It is given from an organized source in the growers' interest and doubtless made to suit their reasoning in order to substantiate their claim of high-priced labor, which is skilled labor, and with their improved facilities accomplish double that of the antiquated foreign methods in Italy's climate. Laborers are "producing units of value." Labor when compared to the whole is but a small percentage of the cost of producing and not entitled to so much prominence.

By accepting the claim of the California growers of the cost for fruit, packing, labor, etc., $1.48 f. o. b., and with the "blanket rate" of freight equal to 84 cents a box, makes them cost laid down in New York a uniform price throughout the year, $2.32. This statement of cost is unreliable. Therefore their statement as to the cost of foreign lemons is naturally unreliable.

The foreign product is handled differently. The New York importer buys his fruit from the Sicilian exporter, who makes his profit on purchases from the grower. We do not consider that the United States Government has a right to protect the profits made by the Sicilian exporter. So for a fair comparison we should take the cost to produce foreign lemons by the grower, which varies with the seasons. Reliable importers state that the grower's cost of lemons, which are cheapest now during the winter when few are used, and delivered subsequent to December 15, 1908, for a period covering about two months, is $1.65 per thousand for the fruit, three hundreds and three sixty size (there are but few five hundred size, which come near the end of the season, late in the summer, and are not reckoned in the above cost), half first grade and half second grade.

A thousand lemons will pack three boxes—

Making the fruit of each box to cost	$0.55
Empty box put together, cost	.20
Packing, paper, coopering, etc	.24
Cartage from grower's to exporter's magazine	.03
Cartage from exporter's magazine to steamer	.02
Therefore the grower's cost f. o. b. steamer at Sicily is	$1.14

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To this add the following:

Freight to New York (no rebate on this)	$0.31	
Insurance and incidentals	.05	
Duty on fruit	.76	
Duty on shooks	.05	
		$1.17
Cost laid down in New York during the winter		2.31

During the spring the fruit is kept at additional expense for summer delivery, and in New York during June, July, and August, in this same way, they generally cost $3.

The above allows no profit to the Sicilian exporter or the New York importer.

You see, the cost to lay down California lemons in New York is said to be $2.32 all the year, and the foreign lemons during the winter $2.31, which appears to be an even cost during the winter, and is sufficient to throw the demand to California lemons because of their superiority. During the summer foreign lemons cost about 69 cents more laid down in New York than the California lemons.

When we argue that foreign lemons when in heaviest receipts cost 69 cents per box in New York more than the California lemons we are handicapped. We should have the duty reduced from 76 cents a box to 30 cents, in order to increase importations, as they are rapidly decreasing now. California would still find a large and profitable market for her product.

Better conditions will be established by two interests striving for the business.

All the Sicilian growers sell their lemons to Sicilian exporters at a profit. The New York importer is obliged to buy from the exporters at a profit. He then disposes of them at public auction to the highest bidder, as it is his sole means of distribution and the market is not subject to any control. He must depend upon the demand being sufficient to pay him a profit.

The demand for foreign lemons has decreased, and heavy losses, especially last year, have been sustained. They sell at a range, generally, at auction from $1.75 to $3.50, according to the demand, and during the summer season for a short period in July excessive prices are sometimes realized, ranging at auction from $4.50 to $5. There is little or no encouragement to import lemons. As for the value which Californians at times claim they realize, naming as high as $8 to $10, it is absolutely untrue.

The domestic production has so increased and is so superior in every respect, except in keeping qualities, that it protects itself, and always brings $1 and more a box above the foreign lemons.

As the foreign lemons leave New York for shipment into the interior, freight charges increase the cost of delivery, more especially in less than carload lots. In carload lots, take, for instance, Chicago, the lowest rate is a commodity rate of 40 cents a 100 pounds, equivalent to 34 cents a box. By taking the grower's winter cost in New York and adding 34 cents makes them cost in Chicago $2.65, and in summer $3.34. In comparison with the California product their "blanket rate" of freight, 84 cents a box, applies to all points between the Rocky Mountains and the Atlantic seaboard. This enables California to deliver in Chicago for $2.32 a box which is 33 cents less than the foreign winter cost of $2.65 and $1.02 less than the sum-

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mer cost. To Missouri River points, the winter cost of foreign lemons is $2.79 against $2.32 for Californian, and the summer $3.40 against the Californian $2.32. Therefore they are compelled to buy California lemons. The farther west the foreign lemons go the greater the cost, and to the greater advantage of the Californian product. The farther east the California lemons come does not increase their cost, on account of the protection afforded in the freight rate. California lemons can be delivered in Maine at the same cost as in Utah. They also have the advantage of delivering in New York in eight days, while it takes the foreign lemons sixteen to eighteen days.

Another phase to consider is the Government standpoint. The Republican protective act of March 3, 1883, is the tariff act we seek to have renewed. It places lemons, 2½ cubic feet, 30 cents a box; half boxes 16 cents; bulk $2 per thousand. Oranges, 25 cents a box; 13 cents a half box; bulk, $1.60 per thousand; barrels, 196 pounds, 55 cents a barrel. Oranges, lemons, and limes when not otherwise specified, 20 per cent ad valorem. No duty on shooks.

The tariff act of October 1, 1890, McKinley bill, was the same; except the duty on shooks was mentioned separately.

The tariff act of August 28, 1894, Wilson bill, retroactive, in effect August 1, 1894, on a basis of 8 cents a cubic foot was about 5 cents per box lower than the two previous Republican tariffs.

Under these tariffs up to 1897, eleven years ago, at 25 cents to 30 cents a box, the Government received an annual revenue averaging about a million dollars on lemons and oranges.

The tariff act of July 24, 1897, Dingley bill, increased the duty to 1 cent per pound, which is equal to an advance of 200 per cent, what Californians call a "beneficent tariff;" so great that they are feasting at the Government's expense. Their increased shipments of lemons have decreased imports 20 per cent, and a continuous loss of revenue will ensue the same as was lost on oranges. That proves that at the present 1 cent a pound duty the supply of lemons will further decrease in greater proportion, and in the next seven to ten years by decreasing will be eliminated. Californians boast of being able to drive out foreign lemons, and with the entire control we will be in the hands of producers who will raise their prices with the opportunity, and to the injury of consumers.

Tariff does not affect the selling price directly; it affects the volume of importation. The amount of decayed lemons in a box affects the selling price, and the Government provides a proportionate refund.

The Government has only to regulate the supply by a rate fixed by experience and not by experiment, as in 1897, which benefited a few growers rather than the many users, and allow an increased entrance.

The Dingley bill has eliminated foreign oranges almost completely. In 1908, according to government returns, there were about 17,500 boxes from Italy and a few cases from Spain, together furnishing a revenue of about $12,000, which is practically nothing.

We desire your honorable committee to restore us the tariff act of March 3, 1883, with the rate of 30 cents per box on lemons, 2½ cubic feet. It is better adapted than the Wilson bill stated in our memorial. It will insure a greater revenue to the Government. It will save the immense cost of weighing and the great damage done the fruit in

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disturbing its contents in determining the tare of the box; also consequent delays in making deliveries of so perishable an article as lemons, which can not stand either extreme heat or cold and must be handled with the greatest dispatch and care.

The foreign supply when properly regulated sufficient to allow increased imports will produce a permanent revenue for the Government. The Government is relying upon its revenue, and there is the necessity of establishing it on such a basis as will produce what they estimate, and furnish the country with what supply of lemons and oranges is needed at fair valuations.

At any greater duty than 30 cents a box the supply would be curtailed to such an extent as to give no relief from the disastrous conditions now being experienced. If a minimum and a maximum arrangement or some reciprocity agreement be made with Italy, this country would receive the benefit of importations, and not interfere with the restriction against Mexico or Cuba, as the people of California fear.

We are making no effort whatever to urge you not to increase the present duty, because nothing but the most selfish interests could possibly ask your honorable committee to grant such an unreasonable request, as adding another half a cent per pound, which would make the duty $1.15 per box, which is the value of the foreign lemons f. o. b. Sicily, and which is about the value of a box of lemons f. o. b. California. California apparently expects the Government to guarantee their profits to be increased from 100 to 200 per cent. This position is not at all approved of by western fruit jobbers, for in their annual convention at Minneapolis recently by a unanimous vote they recorded their opposition.

The ease with which California growers in 1897 secured their 200 per cent advance in duty from a third of a cent to 1 cent a pound, and their experience as to its profitableness have induced them, as is generally the case, to want more. Therefore, they ask for a half a cent increase. They even have had duty placed on several articles they do not produce, such as currants, filberts, Almeria grapes, etc. They alone are requesting a higher tariff on lemons. Their method of figuring is very adroit in representing cost. They do not state what high prices their fruit sells for, but the Department of Agriculture has confirmed our knowledge of that fact. These profits are so large they need no tariff to protect them. Their profits are enormous at such times of the year when the demand is greatest and no competition. Their oranges and lemons have not been selling at reduced prices in recent years as they would lead you to believe. Their regulated methods enable them to name the selling price of lemons and oranges at private sale. When offered at auction in various large cities, they only furnish such supply as will be readily absorbed, and only occasionally sell with any loss. Thus they constantly reserve entire control and consequently seldom sell below cost. They are offering lemons in excess quantities in all large cities in New England States.

The trouble California is experiencing with irrigation does not enable them to furnish three times their present production and sell for any less price, as they claim to be able to do soon. They anticipate in ten years, if paid enough by the Government, to not only provide for the excess demand occasioned by our increasing population,

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but to be able to continue the same. She has no way of supplying the deficiency except at extravagant prices.

Her lemon groves are more valuable in producing, and no more expensive as they grow older. Their young bearing trees are fast developing. In some localities the lemon trees did not thrive, so they budded them with oranges; while in other localities conditions were more favorable and they acknowledge their ability to compete at present with the foreign supply. The California lemon groves have a greater danger from the frost than the foreign.

The burden of deriving a revenue for the Government, if divided generally among the people would be more equitable than an overlevy of duty on a special business. Bananas are suggested as a medium for duty, but they are not produced here. They are a trust controlled article anyhow.

Will be glad to furnish you with additional information, and appear before you at your pleasure.

Respectfully submitted.

THE NEW YORK FRUIT EXCHANGE,
EDWARD ANDREWS, Jr., *Chairman*,
WILLIAM A. CAMP,
WM. R. PRALL,
H. M. JONES,
CHAS. W. MAXFIELD,
Tariff Committee.

THE CUBA NATIONAL HORTICULTURAL SOCIETY CLAIMS THAT COST OF RAISING CITRUS FRUITS IN CUBA EXCEEDS THAT IN THE UNITED STATES.

HABANA, *March 2, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

SIR: At a recent meeting of the Cuba National Horticultural Society the undersigned committee was instructed to ask your attention to the following facts and to request that you present them to the Ways and Means Committee of the United States Congress for their consideration.

The proceedings of your committee, as reported in the newspapers, show that representatives of the California and Florida citrus fruit industries persistently, and with apparent sincerity, stated that the cost of labor in Cuba is only from 25 to 50 cents per day, and that in consequence of such cheap labor their interests absolutely required a retention of the present duties to protect them from unequal and ruinous competition.

These representations are so at variance with the actual facts that we regard it as essential to intelligent and just action by your committee that we should correct the deceptive and misleading statements so vigorously pressed upon your attention.

An examination of the facts will show that the cost of production in Cuba is greater than in either California or Florida, and that no protection whatever is necessary; and we respectfully ask your attention to those facts.

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The cost of labor in Cuba is even greater than in the United States. Nominally, common, unskilled labor is about the same, but most of the labor employed in citrus-fruit culture and vegetable production comes from the United States. The proper fertilization and spraying; the periods and methods of cultivation; the picking, packing, and shipment of fruits can not be intrusted to common labor, and the experienced labor required, which comes, and must come, from the United States, does not come here for less than it could command there. It commands the same and even more in Cuba. The Cuban laborer has had little experience outside of cane fields and tobacco plantations, and in the use of oxen, and is inefficient and expensive in other fields of labor—more expensive than the common American laborer.

The demand for labor in Cuba is greater than the supply, and considerable amounts of cane are annually lost because of the lack of sufficient labor to harvest it; and the Cuban Government has appropriated considerable sums of money to be used in obtaining laborers from Europe to supply the deficiency. Under such conditions there is no "cheap" labor in Cuba.

It is strictly within the limits of truth to say that so far as labor enters into the cost of production of citrus fruits it is more expensive than in either California or Florida.

But this is not all. The Cuban fruit and vegetable growers furnish a large amount of labor for laborers in the United States. All of their implements, tools, etc., are manufactured in the United States and imported here. All crates and other materials used in shipments, all fertilizers and spraying materials are manufactured there also. Upon all these things heavy duties are paid to the Cuban Government, and these duties, with heavy transportation charges and custom-house expenses, make them cost the Cuban producer more than 50 per cent more than they cost the producers in California and Florida. All of the teams, wagons, and harness used in the cultivation of fruit groves and upon the vegetable farms are brought from the United States also, and cost more than 50 per cent more than their price there.

Added to the foregoing is the further fact that the flour, bacon, potatoes, beans, and in fact the greater bulk of all the foodstuffs consumed in Cuba, and the clothing worn by the people are products of American labor in the United States, and with the duties, commissions, and profits of dealers, cost here fully 100 per cent more than the prices there. It is true that much of this need not be so, but it is so. And it will be many years before the Cuban can be induced to abandon the cane and tobacco fields and engage in the cultivation of other crops with which he is not familiar.

When all the facts are considered, it will readily be seen that the cost of production in Cuba is considerably greater than in California and Florida and that no protection is necessary; that those States have an abundant protection in the conditions that exist. And it is very clear that it is not a tariff for protection that California and Florida producers want. They really want a tariff for prohibition and for the perpetuation of their monopoly, which they fear may be disturbed by future Cuban competition if equal chances are permitted; and to secure it they do not hesitate to make the grossest misrepresentations as to the facts that bear upon the subject.

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If the policy of equalizing the cost of reaching the markets through a tariff sufficient to compensate for the greater cost of labor in the United States—which is the declared policy of the party in power—should be regarded in good faith, then there will be no tariff placed upon Cuban fruits and vegetables, and any tariff so placed would be a tariff in the direction of prohibition and monopoly and not of protection. A further consideration which should have some weight is that Cuba does not and can not export vegetables except during the late fall and winter seasons, and does not come in competition with northern growers to any material extent during their seasons of production. Florida, and possibly one or two other Southern States, might have to meet competition in the late fall and early spring; but with no tariff duties it would be an equal and fair competition, except as the conditions above stated would give Florida some advantage.

With scarcely any exceptions all of the growers of citrus fruits in Cuba, including the larger part of the laborers, are citizens of the United States. Substantially all of the capital invested is owned by the citizens of the United States, probably three-fourths of whom reside there, and any injustice done or unfairness established by unnecessary duties would strike only American citizens and American capital, both in the United States and in Cuba, and the eagerness of California growers for a monopoly ought not to outweigh justice to other American citizens, even though their interests and the residence of some of them may be in Cuba.

Some of the foregoing statements should be qualified as to the production of lemons, on account of the importations of lemons from Sicily, where labor is no doubt cheaper, but no such condition exists as to other citrus fruits or vegetables.

As to these, California and Florida have no serious competition at this time, and are not likely to have, except as it may come from Cuba in the future.

Yours, very truly,

CUBA NATIONAL HORTICULTURAL ASSOCIATION,
By H. E. HAVENS, *Chairman of Committee.*

COCOA AND CHOCOLATE.

[Paragraph 281.]

STEPHEN L. BARTLETT & CO., BOSTON, MASS., CLAIM THAT THE DUTIES PLACED ON COCOA AND CHOCOLATE ARE PRACTICALLY PROHIBITIVE.

68 INDIA STREET,
Boston, February 5, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At the time I appeared before your committee, on November 19 last, and made statement that the present tariff did not encourage importations of cocoa and chocolate, your chairman referred to the relatively large importations of cocoa and chocolate during the past two and three years, which sales I stated were the

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result of unusual advertising expenditure by foreign manufacturers endeavoring to introduce new goods into this market. I further stated that when such advertising expenditure was lessened the importations would materially decrease. Confirming this statement of mine, I call your attention to the following figures recently received by me from the Bureau of Statistics:

Importations of chocolate into the United States from Switzerland for nine months ending October 1, 1908, 779,287 pounds, at the rate of 1,039,048 pounds per year; importations from July 1, 1908, to November 1, 1908, 284,909 pounds, at the rate of 854,727 pounds per year.

These figures emphasize my contention that the existing tariff is to a large extent prohibitory, as any temporary increase in importations is the result of unwarranted advertising expenditure.

If in the bill you are now framing you will reduce the rates on manufactured cocoa and chocolate to such figures that goods can be shipped here in increased quantities, I know the foreign manufacturer will take more interest to do so, and the result will be an increased amount of duty collected.

At present the law practically prohibits the importation of all low-priced cocoas and chocolates, $2.50 per 100 pounds being more than the profit on such low-priced goods. I ask that in framing the new bill the same specific rate of $2.50 per 100 pounds be retained, but that the limit on which this rate applies be raised to 20 cents and that a higher specific rate be made on goods of this class to a limit of valuation at 35 cents per pound, and above such 35-cent value the goods be dutiable as they now are.

The present duty of 5 cents per pound on manufactured cocoa is unreasonably high, particularly on low-priced cocoas, which low-priced cocoas, as I have stated before your committee, are raw material used only for manufacturing purposes. On such goods in bulk the rate of duty should be materially lower than on goods imported in small packages for direct consumption. Under the existing tariff a barrel of 200 pounds pays the same rate of duty as a 1-pound tin, which is not equitable. In accord with the above, I suggest the following, and ask that it be embodied in the framing of the new bill.

Cocoa and chocolate, prepared or manufactured, and not specially provided for in this act, valued at not over twenty cents per pound, two and one-half cents per pound; valued at above twenty cents per pound and not over thirty-five cents per pound, four cents per pound; valued at above thirty-five cents per pound, fifty per centum ad valorem. The weight and value of all coverings other than the necessary wrappings and wooden cartons and cases shall be included in the dutiable weight and value of the foregoing merchandise.

Powdered cocoa, unsweetened, loose in bulk in barrels, kegs, and tins containing not less the twenty-four pounds net weight each, two cents per pound; in packages containing less than twenty-four pounds net weight, four cents per pound.

I am, my dear sir, respectfully, yours,

STEPHEN L. BARTLETT,
Importers.

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POTATO STARCH.

[Paragraph 285.]

THE GREELEY (COLO.) STARCH AND POTATO CO. STATES THAT REMOVAL OF DUTY FROM STARCH WILL RUIN INDUSTRY.

GREELEY, COLO., *December 15, 1908.*

Hon. ROBERT W. BONYNGE, M. C.,
Washington, D. C.

DEAR SIR: We are reliably advised that an effort will be made at this session of Congress to abrogate the duty on potato flour and potato starch.

The duty on this commodity is 1½ cents per pound, and if this duty is cut off our industry will be compelled to close, and an investment of nearly $100,000 which we have here will be a total loss. We are not able to compete with the low prices at which starch is made in Germany and the low cost of transportation to America.

The Greeley Starch and Potato Company enables the farmers in this section of Colorado to find a market for their cull potatoes. It its true that, with the excessive cost of freight to the markets of the East, where a large portion of our starch is used, we are not in a position to pay a heavy price for culls, from which our starch is made. The net results from our operations do not yield us to exceed 1 cent per pound, and you can readily see that if German starch is allowed to come into this country duty free we will be placed at a disadvantage as regards the finding of a market for our commodity. Even as it is, the German starch undersells us in the markets of New York and Boston to-day, but we are advised that on account of the imported starch being impure, as against our starch which is absolutely pure, they are thereby enabled to undersell in the markets were it not for the fact that many consumers prefer the pure domestic to the impure foreign product

We also desire to call your attention to the fact that tapioca flour, which takes the place of potato and cornstarch to a great extent, comes into this country duty free, and last year there were more than 1,000 car lots imported into this country.

If you will kindly confer with the Maine Senators and Representatives in regard to this matter they will be able to give you more details in regard to the importance of this matter than the writer can.

We ask, therefore, on behalf of a young and growing Colorado industry, that you give this matter your attention.

Very respectfully, yours,

THE GREELEY STARCH AND POTATO CO.,
By A. L. LINDNER, *Manager.*

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SPICES, COFFEE, AND TEA.

[Paragraphs 287, 529, and 679]

GEORGE W. LANE & CO., OF NEW YORK CITY, DEPRECATE THE IMPOSITION OF AN IMPORT DUTY ON TEA.

93 FRONT STREET,
New York, January 12, 1909.

Hon. HENRY S. BOUTELL, M. C.,
Washington, D. C.

DEAR SIR: As tea importers of fifty years' standing, perhaps you will give consideration to our testimony regarding the sentiment of the trade as to a duty on tea.

To our knowledge there are hardly more than five firms in the United States favoring a duty, against several hundred importers and wholesale grocers opposed.

We had a duty of 10 cents per pound during the Spanish war, and it nearly ruined the business. You will hear the argument from the four or five houses favoring duty, obviously for a temporary advantage to their present holdings, that the consumer will not feel the duty because the retailer will not raise the price. This statement is misleading. The retailer will be obliged to raise his price if he gives the consumer the same quality, but our experience during the last duty proved that he sold at the same price and reduced the quality from 7 to 10 cents per pound. Consequently the American public were practically deprived of the higher grades of tea. Such qualities disappeared from the market, and the lowest grades doubled in importation to the detriment of the consumer and the trade.

A duty of 10 cents per pound is absurdly onerous to dealer and consumer alike, for the reason that the average cost of importation is about 15 cents per pound. Consequently such a duty would equal 70 per cent on the original cost. Even a duty of 3 cents per pound would be 20 per cent on the cost.

Such a tax upon the necessities of the poorest would seem very inopportune after a panic, with 50 per cent of the working class still unemployed in several sections.

The grades of tea which are sure to feel the entire duty are the lowest, which furnish the impecunious with their chief beverage. The tax on these grades would be 10 cents per pound on a 10-cent costing tea, or the equivalent of 100 per cent.

We understand on the other hand that the coffee interests are petitioning for a duty, and with this we have nothing to do. A duty of 5 cents per pound on coffee would yield a revenue of about $45,000,000 and perhaps render it unnecessary to touch tea.

The only duty on tea that would meet with the unanimous indorsement of the trade would be a differential against Canada and England, as Canada levies a special duty against the United States, prohibiting our selling them, while they are free to sell our trade and injure our business.

Yours, very truly, GEO. W. LANE & CO.

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H. HENTZ & CO., NEW YORK CITY, MAKE SUGGESTION RELATIVE TO ANTICIPATING SPECULATIVE IMPORTS OF COFFEE AND OTHER DUTIABLE GOODS.

No. 22 WILLIAM STREET,
New York, January 12, 1909.

Hon. SERENO E. PAYNE,
Chairman of the Committee of Ways and Means,
Washington, D. C.

DEAR SIR: There has been considerable talk in the coffee trade here as to Congress levying a duty on the article, and about coffee being rushed in here to take advantage of the duty.

Without expressing an opinion as to whether a duty should or should not be levied, we wrote in our coffee circular of yesterday as follows:

There is nothing new from Washington regarding the duty question. The newspapers daily touch upon it, pro et con. Of course the new Congress, which will be called to meet in March next by President Taft, will decide it, as it will pass upon the revised tariff bill. It is pointed out that in order to head off imports from Europe Congress could make the duty apply to all indirect shipments made after the passage of the bill. The bill might pass on 10th, 15th, or 20th of the month and go into effect on the 1st day of the following month. This would stop Europe from sending coffee and all other merchandise here that would be benefited by advanced duties.

We presume your committee will make such a provision as stated above, in order to prevent the United States from being deluged with coffee, or any other article of merchandise that would be benefited by advanced duties.

Yours, very truly,

H. HENTZ & CO.

CHARLES G. BULLARD & CO., NEW YORK CITY, THINK THE PLACING OF A DUTY ON COFFEE UNCALLED FOR.

100 FRONT STREET,
New York, January 14, 1909.

CHAIRMAN OF WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: The present agitation for a duty on coffee is of great interest to the trade and we hope that the members of your committee are fully acquainted with the facts of the situation.

The Porto Rico crop at present does not exceed 200,000 bags, and were the entire available land on the island planted in coffee this year they might produce after five years 400,000 bags maximum. In the same way the present Sandwich Islands crop of 100,000 bags might be increased to a maximum of 200,000 bags in five years. It takes five years for a coffee tree to come into bearing. As to what might come after years of cultivation from the Philippines the possible crop would be so small as not to be worth considering. Neither Porto Rico nor Sandwich Island coffees have ever been liked in the United States, and they can onl be sold at reduced prices.

Formerly the price of coffee to consumers averaged about 25 cents per pound, but within the past few years the increase of supplies and the competition to sell coffee has been so great that the common people generally have been able to buy their coffee at about 15 cents per

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pound. This leaves so narrow a margin between the import cost of, say, 8 cents per pound green or 10 cents roasted and the retailers' price to families, that any duty must perforce be added to the price paid by the consumer. The wealthier classes who use fine coffees retailing from 35 to 45 cents per pound would not feel the duty, as the margin between the cost to import, say, 15 to 20 cents, and the above retail price is so large that the duty would be lost in that margin.

Of the 3,681,000 bags available in the United States to-day 1,800,000 bags are owned by the Brazilian Government which would naturally benefit by the amount of duty imposed. As large holders of spot coffees we should gain by the imposition of a duty, but we do not believe it necessary to put a tax upon an article that has come to be one of the prime necessities in every home in the land.

We respectfully submit these views for your consideration.

Yours, truly,

CHAS. G. BULLARD & CO.

CHASE & SANBORN, BOSTON, MASS., GIVE THEIR REASONS WHY COFFEE AND TEA SHOULD REMAIN ON FREE LIST.

200 HIGH STREET,
Boston, January 28, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully protest against a tax on coffee for the following reasons:

The appeal for this tax coming from Porto Rico and Hawaii should not be considered from a protective standpoint, as imports into the United States of these growths of coffee last year were less than 1 per cent of our consumption.

We submit further, from our knowledge of stocks and conditions in the trade, that we can not consider this movement in any degree a sincere one, and this is the consensus of opinion of those best informed in the trade. An article recently published in the New York Journal of Commerce very ably confirms this opinion.

Coffee to-day is absolutely an article of necessity, and is a staple food product of the poorer classes, its largest consumers, and a tax on coffee would be a direct tax on the wage-earner. We believe that over 60 per cent of our consumption of coffee is sold at retail at 20 cents per pound or less, and we know from experience of the recent tax on tea that any tax placed on coffee would fall entirely on the consumer, and, in view of the above statement, it is evident that it would fall heaviest where it could be afforded the least, and that is on the poorer people.

On account of an abnormally large stock of coffee the present, if ever, seems a very inopportune time to consider placing a tax on this article, as so large an amount could be brought into the country that little revenue to the Government from this source could be had for two years. We submit that if you will remove the prospects of holders of the large stocks of coffee reaping the benefit of a tax you will at once remove the pressure and desire from these speculators for its imposition, whose only interest it would seem is an immediate

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gain, however great an injury is wrought to legitimate merchants in the business.

Although a complete reversal of the tariff policy of the Republican party, to which we have been loyal adherents, we would submit that if our resources are so low that an article of necessity, the wage-earners' food, must be taxed, it should be imposed as a last resort and as a source of revenue only and in a way that will insure that the money coming from this tax will go from the poor man's pocket to the Treasury of the United States, and not into the hands of speculators and present large holders of the article.

We feel safe in saying that the imposition of such a tax would prove so obnoxious that, like the recently repealed tax on tea, it would soon create a universal demand for its removal.

In behalf of 20,000 dealers and customers, we ask for a continuation of their and our own present healthy coffee business, as well as for the interests of all consumers of coffee.

We beg you to consider this appeal to your honorable committee in the hope that you may find good cause in refraining from recommending a tax on either tea or coffee, and remain,

Very respectfully, yours,

CHASE & SANBORN,
Importers.

A. H. DEVERS, PORTLAND, OREG., ADVOCATES THE IMPOSITION OF A REVENUE DUTY OF TWO CENTS PER POUND ON COFFEE AND FIVE CENTS ON TEA.

PORTLAND, OREG., *January 28, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Inclosed please find letter that I wrote to the Hon. C. W. Fulton regarding tariff matters. I have had the pleasure of reading some few of the reviews of the sittings of your commission, and have taken a deep interest in the matter. It is my opinion that in all likelihood there will be a change from a tariff for protection to a tariff for revenue, at least to an extent. Being in the coffee, tea, and spice business, and knowing of previous agitations for duty on these articles, and also knowing that all of them were once upon a time dutiable articles, I thought it not improper for me to make a suggestion. As I stated in my letter to Mr. Fulton, I believe it would cause a big commotion if a duty of 5 cents per pound were levied on coffee. My reason for making this statement is that with a duty of 5 cents per pound the consumer would pay the entire duty. On the other hand, a duty of 2 cents per pound could be so distributed between the manufacturer and the retailer that the consumer would buy his coffee at the same popular prices that are now prevailing and the manufacturer would stand a part of the loss and the retailer the other part, and the Government besides would be able to raise from coffee a duty of somewhere from $18,000,000 to $20,000,000 per annum, as against somewhere from $45,000,000 to $50,000,000 if a duty of 5 cents were levied. A duty of 5 cents per pound on tea would raise approximately $5,000,000. You remember that there was a duty of 10 cents per

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pound on tea during the time of the Spanish war. This caused an advance in the price of tea to the consumer, whereas the duty of 5 cents per pound could be readily distributed between the wholesaler and the retailer, and the consumer would in but very few instances have to pay any more for his tea, the reason of this being that teas usually pay a big profit and the retailer at least would have this profit cut down to an extent without any great injury to himself.

As regards spices, I would say that the great majority of spices are to-day very cheap, and a duty of 5 cents per pound would, in my estimation, make little or no change in the retail selling prices, as pepper is selling at more than 5 cents per pound less than it sold for two or three years ago. Some of the other spices would even stand more of a duty than 5 cents per pound; for instance, such as nutmegs. How much revenue a duty of 5 cents per pound on spices would produce I am not prepared to say, as I haven't the Government's figures of imports at hand. Personally I would, of course, prefer to see no duty whatever put on coffees, teas, or spices; but, realizing that the revenues of the Government are growing less and the demands on it growing greater, it is easy to see that something must be done, and Congress does not seemingly favor the easiest solution of the matter, which, in my opinion, would be an income tax.

I offer these suggestions disinterestedly for your careful consideration, and remain,

Yours, respectfully,

A. H. DEVERS of CLOSSET & DEVERS,
Manufacturers, Importers, and Jobbers of Coffees, Teas, Spices, and Baking Powders.

PORTLAND, OREG., *January 11, 1909.*

Hon. C. W. FULTON,
Senator from Oregon, Washington, D. C.

DEAR SIR: I want to make a suggestion to you that I believe will meet with favor and perhaps prevent considerable trouble in the rearranging of the tariff. There has been quite an agitation before the tariff commission for a duty on coffee. The matter was presented by citizens from the Hawaiian Islands and the Island of Porto Rico, and agitated also by the Philippine Islands. The revenues of the Government, as you are well aware, are short, and the duty of 5 cents per pound on coffee would raise about forty to fifty million dollars, and it looks rather good to the tariff commission. On the other hand, it is distinctly a tariff for revenue and not protection. This is not a good Republican idea, but we will let that view of it pass. The side of the case, however, that can not be overlooked is that a duty of 5 cents per pound on coffee would raise a big rumpus because, notwithstanding all talk to the contrary, it would raise the price of coffee 5 cents per pound, or pretty nearly that, to the consumer, and this would cause a big rumpus.

My suggestion to you is that you advocate a smaller duty on coffee, say 2 cents per pound, and that you advocate a good stiff duty on spices, such as pepper, ginger, allspice, cinnamon, cloves, cayenne, nutmegs, and mace. My reason for suggesting this is that while it would add to the cost of these goods for the manufacturer, it would add but little to the actual cost of living to the consumer, and the price of all spices just now is very low and is likely to stay low, and while this duty would add considerable revenue to help out the deficit the consuming public would feel it very little. As nearly as I can figure it out, it would not amount to the consuming public one-tenth as much as a duty of 5 cents per pound on coffee, and a duty of 2 cents per pound on coffee would not perceptibly add to the cost of ordinary coffee, because this much could be divided up between the manufacturer and the retailer. The retailer has been making a big profit on coffee, and he would have to stand a reduction on his part, and we as manufacturers would assume a small part of it ourselves.

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I offer this to you as a suggestion, and I am not going to say one word about it to anybody until I hear from you in reply to my letter. As I believe the suggestion to be a very good one, and one that will meet with favor at the hands of both the manufacturer and the consumer and at the same time will be a very good revenue producer, I want to give the thing publicity if you don't care to do it yourself.

My idea as regards a duty on the spices would be, not less than 5 cents per pound on pepper, and, say, 7 to 10 cents per pound on nutmegs and mace, and 5 cents per pound on the other spices. There is already a duty on cayenne pepper, and this could be increased to 5 cents per pound or even 5 cents per pound more added to the present duty.

Please do me the favor to answer promptly, and oblige,

Yours, very truly, A. H. DEVERS.

There is also no reason why there should not be a duty on herbs like sage, thyme, marjoram, savory, and an increase in duty on seeds like caraway, coriander, fennel, hemp, rape, etc.

CHAMPION & STANDINGER, IMPORTERS, NEW YORK CITY, URGE IMPOSITION OF DUTIES ON TEA, COFFEE, AND SPICES.

NEW YORK CITY, *February 11, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: As the urgent need of tariff revision arises at this time, and with a view of increasing the revenues, the following statement is respectfully submitted for your consideration:

The writer will endeavor to show that if the articles enumerated are placed again on the dutiable list it will be consistent with protective lines, productive of increasing the revenues without being burdensome to the consumer.

It is indisputable that the revenues must be increased while certain schedules are to be revised and duties lowered or abolished; the loss of revenue from these schedules must be offset by taxing articles now free or increasing the rates on articles now taxed.

It is urged that duties be reimposed on tea (10 cents per pound) and coffee (3 to 5 cents per pound) and on whole spices (5 and 10 cents per pound) and on ground or manufactured spices (20 per cent ad valorem in addition to the tax on whole spices).

Also an extra duty of 10 per cent ad valorem on all goods imported from countries east of the Cape of Good Hope. This would safeguard and protect the consumer and dealer of this country against goods manipulated in Europe, imported here, and sold at great profit. The effect of this clause would be to protect the consumer and encourage the importations of such articles direct from places of growth.

The Spanish-American war taxes on teas was paid by the consumer without imposing hardship; little, if any, complaint was raised. Spices were not taxed in that measure.

The expenses of the Government necessary to collect the proposed duties would be infinitesimal, the duties being specific. The figures at foot will enable your committee to make an estimate of the increased revenue that would result.

It will be apparent to your committee that the tax per capita per annum would be $2.30, an amount that could hardly be called burdensome to the American consumer of spices.

Such duties if imposed would strengthen the pure-food laws. Unscrupulous foreign manipulators would not risk the importation

of the lower or manipulated grades, the chance of seizure being too great.

If allowed to remain in the free list, importations of these undesirable, unwholesome grades would in consequence be facilitated and encouraged.

Respectfully, CHAMPION & STANDINGER,
Importers.

EXHIBIT A.

Importations.

	1905.	1906.	1907.	1908.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*
Capsicums and cayenne pepper	3,509,444	4,063,067	4,222,167	3,425,387
Cassia buds	88,564	85,160	79,494	638,979
Cassia and cassia vera	4,626,617	6,615,554	7,128,228	3,692,300
Cinnamon and chips	621,948	645,758	777,597	520,459
Cloves	4,998,770	2,392,650	3,491,372	3,048,687
Clove stems	163,184	313,231	50,395	703,474
Ginger	6,928,187	5,546,571	4,161,681	2,807,236
Mace	328,646	521,119	458,107	425,183
Mustard	1,079,523	1,198,560	1,307,202	1,214,721
Nutmegs	2,379,118	2,629,003	2,375,822	2,043,479
Pepper (white and black)	19,604,253	26,589,960	24,322,640	20,334,452
Pimento	10,511,568	3,666,480	4,172,976	2,118,917
Sage	826,796	1,202,156	1,075,593	1,078,207
Other spices	28,124	86,971	28,563	27,465
Tea	103,773,244	99,420,858	86,405,028	94,144,761
Coffee	1,042,930,890	851,224,378	982,254,832	890,624,631

The following duties or tax is proposed and urged:

Coffee, 3 to 5 cents per pound.

Tea, 10 cents per pound.

Pepper, white, black, and capsicums, 5 cents per pound; manufactures or ground 20 per cent extra ad valorem.

Cloves, 5 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Clove stems, 5 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Cassia, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Cassia vera, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Cassia buds, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Cinnamon, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Cinnamon chips, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Nutmegs, 10 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Pimento, 5 cents per pound; manufactured or ground 20 per cent extra ad valorem.

Other spices, not enumerated, 10 cents per pound; manufactured or ground, 20 per cent extra ad valorem.

WILLIAM J. GIBSON, NEW YORK CITY, RECOMMENDS A DUTY OF TEN CENTS A POUND ON FREE-LIST SPICES.

32 LIBERTY STREET,
New York, February 20, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: The spices particularly referred to are included in paragraph 667 of the free list of the present tariff act, are unground, and are cassia, cinnamon, cloves, mace, nutmegs, and piemento or allspice.

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All of these articles are luxuries. They are not necessaries and the people would be better off without them. They are used for flavoring foods and preserves. They are also used extensively in barrooms for flavoring spiced drinks, and are sometimes denominated "palate ticklers." They might almost be classified, so far as their use is concerned, with liquors and tobacco, in that they only appeal to the appetite and cultivated habits of the people, and would seem to be proper subjects for duty. While their use is pretty general, their consumption per capita is small. Very few families would use more than an ounce of any one of these spices during a year, yet the aggregate amount imported and consumed annually in this country is about 20,000,000 pounds. These are sold in small quantities, usually by the ounce, by druggists and grocers at from about the rate of 80 cents a pound and upward at many times their cost, so that the imposition of a duty of 10 cents a pound would probably not increase the price to the consumer, at least not very much.

The importations of these spices in the unground or natural condition for the year 1907 were as follows:

	Quantity.	Value.
	Pounds.	
Cassia and cassia vera	7,128,228	$625,251
Cassia buds	79,494	9,236
True cinnamon (with which cassia is often confounded)	777,597	106,827
Cloves	3,491,372	509,128
Clove stems	50,395	914
Mace	458,107	124,046
Nutmegs	2,375,822	321,652
Pimento or allspice	4,172,976	193,423
Total	18,535,001	1,890,477

A duty of 10 cents a pound on these articles would produce about $2,000,000 in revenue per annum. These spices when imported ground are dutiable under paragraph 287 at 3 cents per pound.

If these articles should be put on the dutiable list at 10 cents per pound in their natural state the duty on them ground could be increased to, say, about 14 cents per pound.

Sage should be included among the above. It is already in paragraph 287 as dutiable at 1 cent per pound.

The spices above named were on the dutiable tariff list prior to 1883. Under the tariff act of June 30, 1864, they were dutiable in their natural unground state, as follows:

	Per pound
Pimento or allspice	$0.15
Mace	.40
Cloves and cassia	.20
Cinnamon	.30
Nutmegs	.50

Such articles as pepper, black, white, red, cayenne, or capsicum; ginger root, mustard, which are sometimes classified among the spices, have not been included in the above, as the attention of the committee has, no doubt, been called to these articles.

I would respectfully submit to the committee the following proposed paragraph on the spices above referred to for their consideration, to be added to or made a part of a paragraph to the proposed

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tariff act, as an addition to or part of paragraph corresponding to paragraph 287 in the present act, if it meet with their approval:

Spices: Cassia, cassia vera, and cassia buds; cinnamon and chips of; cloves and clove stems; mace; nutmegs; pimento or allspice; and sage. All the foregoing when unground, ten cents per pound; when ground or prepared, fourteen cents per pound.

A history and account of these spices will be found in the committee's printed "Notes on the tariff," under paragraph 667 of the present act.

Respectfully submitted.

WILLIAM J. GIBSON.

NATIONAL COFFEE AND TEA ASSOCIATION, NEW YORK, OPPOSES IMPOSITION OF DUTY ON COFFEE AND TEA.

32 BROADWAY,
New York City, March 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Representing important interests in the importing, jobbing, wholesaling, roasting, and retail trade, as well as many millions of consumers of coffee and tea in the United States, we, the National Coffee and Tea Association, respectfully present the following memorial to your honorable body:

This country annually consumes more than 7,000,000 bags of coffee, of an average weight of 130 pounds each, being upward of 950,000,000 pounds.

Porto Rico and the Hawaiian Islands produce annually a little more than 38,000,000 pounds, 33,000,000 pounds of which they sell in Europe at good prices. Less than 5,000,000 pounds of this coffee is sent into the United States.

The Philippine Islands produce no coffee for exportation.

Present coffee conditions are set forth in the February circular of the City National Bank of New York, from which we quote:

Current sentiment in congressional circles at Washington is in favor of a return to some if not all of the war-revenue schedules as they appeared in the act of June 13, 1898, with some readjustment of customs duties calculated to produce greater revenue from that source. There is considerable talk of placing a duty on coffee and tea. It is generally realized that at the present rate of expenditure from $100,000,000 to $150,000,000 in new revenues must be provided. There is little likelihood that anything in the way of serious retrenchment can be accomplished. * * * The Secretary of the Treasury in his last report to Congress estimated a deficit for the fiscal year 1909, which will end June 30 next, of $114,000,000. At the present rate of outgo this must be regarded as a conservative estimate, for January has closed with a deficiency of $15,543,000 for the month, and the seven months of the fiscal year already passed showed an excess of expenditures over receipts of $80,000,000. At the same monthly ratio the deficit for the year should approximate $135,000,000.

Notice has been given that all outstanding bonds of the following issue, State of Sao Paulo, 5 per cent exchequer gold bonds (issue of 1906) have been called for redemption at the National City Bank of New York at par and interest, exchange at the rate of $4.84 per pound sterling.

Practically all of the bonds of this loan have been redeemed at terms highly satisfactory to investors. The loan was put out by the National City Bank and funds for its redemption have been derived from the payments of surtax under the contract securing it and by the sale of United States of Brazil, State of Sao Paulo, 5 per cent treasury gold bonds of 1908, January 1, 1909–January 1, 1919.

The American portion of this loan, £2,000,000, brought out by J. P. Morgan & Co., the First National Bank of New York, and the National City Bank of New York,

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was largely oversubscribed. The total issue is £15,000,000. The bonds are international in character, being issued in denominations of £20, £50, £100, £200, £500, and £1,000, and equivalents, at fixed rates of exchange of 24.12 francs, 20.40 marks, 12.05 florins, and $4.86. The public market in New York on the bonds has advanced on investment demand to 95½ or 96, while the foreign markets have been maintained above parity with New York prices. The original circular offering the bonds set forth the basis of security as follows:

These bonds are a direct obligation of Sao Paulo, the principal State of Brazil.

Interest payment and semiannual redemption of a portion of the loan are specifically provided for by a coffee export gold surtax of 5 francs per bag, which should produce about $8,400,000 per annum on the average of the last five years and by the hypothecation of coffee owned by the Government, as stated below.

These bonds are additionally secured by a first lien on 7,000,000 bags of coffee, owned by the State of Sao Paulo, now in warehouse in New York and European ports, which are sequestered for the security of this loan.

The State of Sao Paulo guarantees that the surtax and sales of coffee applicable on payment of interest and for the annual redemption of these bonds shall never be less than 45,000,000 francs, or approximately $9,000,000 per annum.

Finally, these bonds bear the absolute guaranty of prompt payment of principal and interest by the Federal Government of Brazil, indorsed in the following form:

"The Federal Government of the United States of Brazil for full consideration hereby guarantees unconditionally the due payment of both principal and interest of the within bond.

"Should this guaranty become effective the payment will be made to J. Henry Schorder & Co., and the Sociele Generale through the Government's financial agents, Messrs. N. M. Rothschild & Sons, London."

THE NATIONAL CITY BANK OF NEW YORK.

The present visible supply of coffee in the world amounts to about 16,000,000 bags. This is divided as follows:

Seven million bags owned by the State of Sao Paulo and held to cover their bonds, of which about 2,000,000 bags are stored in this country.

Two millions bags of other coffee, afloat for this country, or stored here, and held by special interests.

Five million bags held in Europe; 1,500,000 held in Rio and Santos.

A duty of 5 cents upon coffee would mean an immediate profit of at least $6.50 per bag upon every bag in the United States to the owners thereof.

There being nearly 4,000,000 bags at present held here by individuals, corporations, and Wall Street speculative interests, such a duty would mean a profit of $26,000,000 to the owners and holders thereof.

But it would not mean $1 paid into the United States Treasury.

If such a duty was imposed upon coffee there would naturally gravitate to this country a considerable part of the remaining 12,000,000 bags held in Europe and South America.

Enough would surely come here to supply the demand for at least two years, as it could easily be shipped into the country before the duty became a law, thus giving to the foreign and speculative owners profit of from $25,000,000 to $50,000,000 more, but not $1 of this amount would reach the United States Treasury.

It is most positive therefore from the above facts that a duty upon coffee would give the Government no benefit for at least two years, but would transfer from the pockets of the consumers to those of the large holders, the bankers and the speculators, upward of $50,000,000.

Such conditions would practically create a trust, would crush out the smaller dealers, and would place the entire trade for years to come in the hands of a few large operators; all to the great injury of the public.

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The suggestion that a duty is required to protect the "infant industries" of Porto Rico and Hawaii is without force.

The present requirements of coffee in this country aggregate nearly 1,000,000,000 pounds annually.

The total present production of Porto Rico and the Hawaiian Islands is less than 40,000,000 pounds, or less than 5 per cent of our immediate needs.

It takes five years to establish a coffee plantation and five more to bring to full bearing, so that if the product of these dependencies were at once increased twenty times it would take more than ten years before this country could be supplied therefrom. In addition to which the natural increase in the population of this country and in its use of coffee would have advanced at least 25 per cent, so that even then the supply from these islands would be insufficient.

Nor is it just to levy a tax upon the entire population for the benefit of a few thousands who might desire to engage in the coffee business.

We can recognize no equity or national policy in placing a duty upon coffee to protect the product of Porto Rico or the Hawaiian Islands.

These dependencies are already enjoying freedom from import taxation in many lines, greatly to their benefit, and the American people do not owe them any further favors. Certainly not so great a favor as to assume a burden of taxation amounting to $50,000,000 in order to stimulate so infinitesimal an industry as coffee now is and will be for many years to come.

These same arguments apply with even more force to the Philippine Islands, where the production of coffee has almost failed, and which could not supply the demands of this country in twenty years to come, no matter how highly protected.

A duty upon tea will result in throwing that trade into the hands of a favored few, thus creating a trust and destroying the now flourishing business of all the small dealers throughout the United States.

Nor will such a duty produce any appreciable income to the Treasury.

The present supply of tea in this country is sufficient to meet all needs until the "new crop" comes in, but in anticipation of a duty and before it can become a law a large quantity, now in convenient ports for shipment, would be rushed into the country and it would in all probability be a year at least before any duty-paid tea would be required to supply the market.

The present consumption of tea is less than 90,000,000 pounds annually, even while it is on the free list, and if placed under a duty that quantity would doubtless be reduced at least 25 per cent.

It will be seen therefore that the revenue from a duty upon tea would be of very small benefit to the Government in any event, and would not begin until the unusual quantity brought in before the duty became a law was exhausted.

Lastly, the imposition of a duty upon either tea or coffee is a direct violation of the principles of the Republican party as set forth in its platform.

The theory of protection does not apply to necessaries which we do not produce and a tariff for revenue should be levied only upon luxuries.

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A duty upon coffee and tea will cost every family who uses either of these beverages from $4.50 to $25 additional per year, and there are more than 10,000,000 such families in the United States.

Such a duty will fall most heavily upon the laboring classes, and will be the most unpopular method of collecting taxes ever devised.

Such a duty will be unjust to the consumer, detrimental to trade, irritating to the masses, and, finally, will fail to produce any material revenue to the Government for nearly two years to come.

THE NATIONAL COFFEE AND TEA ASSOCIATION,
By FRANCIS E. HAMILTON, *Counsel.*

THE MONSANTO CHEMICAL WORKS, ST. LOUIS, MO., URGES THE CONTINUANCE OF TEA WASTE ON THE FREE LIST.

1800 SOUTH SECOND STREET,
St. Louis, March 1, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: In view of the various reports we hear of the possibility of a duty on tea, we would request, if your committee deem it advisable to place a tariff on tea, that you will make a provision for the free admission of inferior tea, tea waste, tea siftings, or tea sweepings, for the manufacture of caffeine, theine, or other chemical products, whereby the identity and character of the original material is entirely destroyed or changed, provided for in the amendment to the tea act, approved May 11, 1908; and for your guidance we are inclosing a copy of the Treasury Department's regulations, covering the importation of these goods, which also gives a full copy of the act.

We trust, therefore, that if your committee decides to place a tariff on tea for human consumption, you will make a provision specifically providing for the free admission of inferior tea, tea waste, tea siftings, or tea sweepings, for manufacturing purposes, as now provided for.

Very respectfully, MONSANTO CHEMICAL WORKS,
Per JNO. F. QUEENY, *President.*

PICKLED LIMES.

[Paragraph 559.]

WM. F. BRENNAN, IMPORTER, BOSTON, MASS., WISHES A SEPARATE CLASSIFICATION MADE FOR PICKLED LIMES.

113 CENTRAL STREET, *Boston, January 26, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the revision of the tariff, let me urge that the classification of pickled limes remain unchanged, as this commodity has but a very limited sale and confined almost exclusively to a few New England states. After limes are immersed in sea water for twenty-four hours it causes such a physical change that they

are of no commercial value whatever other than as a "pickled lime," because they can not be freshened out or used, only for eating in their changed condition, and in this form they are consumed mostly by women and children of this section of the country who have acquired the taste for them.

Under the Wilson bill they were charged as "pickles" at 30 per cent ad volorem, and continued so under the present bill until the Board of General Appraisers decided to class them as limes at 1 cent per pound, together with the water which surrounded the same, which ruling was amended by the decision of the United States circuit court of appeals in my suit against the Government for refund of duties, since which time they have come in under paragraph 559 and admitted free as "fruits in brine, not specially provided for."

The business done in them is quite small and positively no protection is needed for the few limes grown in the United States, as they never pickle them, and if pickled limes should again be classified under the head of "green fruit" it would be putting a prohibition value upon them, for they are usually sold for a cent each, and when the retailers can not do this the business, small as it is, will be curtailed very materially.

It has been proven by the courts that there has under all tariffs been a distinction made between "limes" and "pickled limes," and I would ask that this decision remain unchanged.

This merchandise is not commercially known as "limes," and therefore should have a distinct classification if it is to be designated in any way in the new list. No tariff that the Government ever issued has classified "pickled limes," so it can be seen that they have never been considered of sufficient importance to give them a place. But now that revision is under way the opportunity should be embraced to make provision for them, and thereby avoid a mix up again with the general appraisers in determining the proper interpretation of the tariff, and I present the subject at this time with that end in view.

I trust that our New Englanders may continue to eat the fruit as of old, which will be the case unless the United States needs to increase the cost by a tariff for revenue only.

Yours, truly,

WM. F. BRENNAN, *Importer.*

CASEIN AND LACTARENE.

[Paragraph 594.]

THE CASEIN MANUFACTURING CO., NEW YORK CITY, ASKS FOR A DUTY ON CASEIN IN THE FARMER'S INTEREST.

11 PINE STREET,
New York City, March 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At the tariff hearing November 19 last there appeared before you a Mr. Burdette, representing practically all of the surface-coated paper manufacturers of the United States, and urged upon your committee the necessity of amending paragraph 594,

lactarene, by adding the words "or casein," so that a quietus might be put on the controversy as to whether casein is or is not lactarene and enable casein to be brought into this country duty free. In addition to representing three companies, with a combined capital of about $20,000,000, Mr. Burdette claimed to represent the National Association of Coated Paper and Board Manufacturers, comprising at least seventeen companies of large capital engaged in the manufacture of surface-coated paper.

REQUEST FOR A DUTY ON CASEIN.

Considering the fact that surface-coated papers are protected under paragraph 398 by a duty of 2½ cents per pound and 15 per cent ad valorem, the request of the National Association that casein shall be entered duty free is unfair, to say the least. Casein is a product of the creameries of this country. Its chief use is in the manufacture of surface-coated paper. In our own name, as manufacturers, and speaking also for other manufacturers and for hundreds of creameries in this country, and for thousands of farmers delivering their milk to such creameries, we ask that lactarine be taken off the free list and that casein and lactarene be made dutiable, as follows:

Casein or lactarene, unground, 2¼ cents per pound.

Casein or lactarene, ground, 2½ cents per pound.

This duty is asked solely with the object of protecting the American farmer, creamery man, and manufacturer of casein against the product of the Argentine Republic, which is menacing the casein industry of this country. The duty asked for covers merely the difference between the cost of skimmed milk and labor in the United States and the Argentine Republic, respectively.

COMPARATIVE COST OF DOMESTIC AND FOREIGN CASEIN.

In order that your committee may see that this protection is necessary, we desire to inform you that, on the basis of a production of 3,800 tons per annum, ground casein can be produced in the Argentine at a cost of about $0.0347 per pound, which would make the price f. o. b. New York about $0.0365 per pound. Based on an equal production of casein in this country during 1908, the actual cost of the ground casein, New York, was $0.0615 per pound. You will see, therefore, that the difference in price of Argentine and domestic casein, ground, f. o. b. New York, is 2½ cents per pound. As the cost of grinding is one-fourth of a cent per pound, it would follow that the duty on the unground casein should be 2¼ cents per pound.

ACTION BY CONGRESS IMPERATIVE.

Action by Congress in protecting the casein industry of this country is the more imperative because the United States courts, interpreting the law as it now exists, have held that casein is lactarene and entitled to free entry as such under paragraph 594. The casein interests of this country look, therefore, to your committee to make such recommendations to Congress as will safeguard their industry and relieve it from the peril to which the interpretation of the present tariff act has exposed it.

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The term lactarene was applied in 1848, in a British patent, to the curd of milk used as a substitute for albumen as a mordant in calico printing. The use was not successful, and the industry became obsolete. Nevertheless, the importers have successfully invoked the assistance of the federal courts in resurrecting th.s obsolete term to enable them to bring their product, casein, into the United States free of duty.

HISTORY OF THE CASEIN INDUSTRY.

The casein industry of this country had its commercial beginning when improvements in the mechanical separators used by the creameries for skimming milk made possible the production of skim milk practically free from the cream or butter fats used in butter making. This, in turn, made possible the production of casein of commercial purity. The use of casein in the manufacture of surface-coated paper had its infantile beginning in 1896. The application was a success; to-day millions of pounds of casein are used annually for this purpose.

This casein industry was built up under many obstacles. It was developed by a study of milk statistics in hundreds of sections of the country, and by locating casein equipments at creameries in sections where milk was plentiful. It was difficult at first to get the creameries interested. The machinery had in most instances to be installed for them and the creamery men instructed. Then it was necessary to introduce the product to the paper-coating mills. Progress was made only after the most discouraging experience. But the product eventually came into successful use, and by 1900, according to the United States census report of that year, the production of casein in this country had increased to about 12,000,000 pounds for that year. The bulk of this casein was used in the manufacture of surface-coated paper.

HOW THE SMALL FARMER IS AFFECTED.

Casein is present in milk in a very small amount—between 3 and 4 per cent, the yield being about 3 per cent. On the basis, therefore, of a production of 12,000,000 pounds per annum, there must have been some 400,000,000 pounds of skim milk used to produce this casein. This skim milk was treated at hundreds of creameries. It is probably not far from the truth to say that in the manipulation of 400,000,000 pounds of skim milk for the production of 12,000,000 pounds of casein, the process will be carried out at some 200 creameries, scattered all over the country from Maine to California. The creameries get their milk from the farmers, the number of farmers per creamery ranging from 20 to 250. On the basis of 100 farmers delivering their milk to each creamery, there would be, in the production of 12,000,000 pounds of casein per annum, some 20,000 small farmers involved. By virtue of the ability of the creamery to utilize skim milk for the manufacture of casein, the farmers receive a higher price for their milk than if the skim milk were thrown away or used for feeding purposes.

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The domestic casein industry was first menaced by Argentine casein in the spring of 1905. The European market was then supplied with casein exported in considerable quantities from the United States. Before the close of 1905 such was the volume of low-priced Argentine casein shipped into Europe that the American producers were driven from that territory, and have never since been able to regain it.

After driving the American producers out of Europe, the Argentine manufacturers offered their product in this country. In 1905 the price of casein was 8 cents per pound. It had stood at that figure for six years. In 1906, to meet the competition of the Argentine casein, the price here was reduced to 7 cents per pound. The following year found the Argentine casein pressing the domestic product harder than ever, with the result that casein was offered in this country at 6½ cents per pound. The only way in which domestic producers could meet the Argentine price was to offer the creameries less for their casein than they had previously been paying.

WITHOUT A DUTY ON CASEIN THE FARMER WILL GET LESS FOR HIS MILK.

Is not this the crux of the whole matter and the determining factor, indicating the necessity of a duty on casein? To compete with Argentine casein, entered free of duty, the manufacturer here will be obliged to reduce the price he pays the creameries for casein, and the creameries in turn will reduce the price they pay the farmers for their milk.

But this is not all. There is a limit to the price of casein below which the creameries will not manufacture it. When this point is reached the creamery will throw away the skim milk or return it to the farmers. Hence, if the casein industry is to be preserved, it is necessary that it should be protected by a duty sufficiently large to overcome the difference between the price of skim milk and labor in the United States compared with those factors in the Argentine Republic.

CASEIN IS THE ONLY PRODUCT OF THE DAIRY NOT PROTECTED.

We have heretofore filed with your committee a copy of the government brief in the suit of The United States *v.* Brownell and invite your attention to pages 29 to 32 of said brief, covering the tariff history of this country, so far as it relates to lactarene. We are satisfied that after reading same the opinion of your committee will be unanimous that had casein been a commercial quantity when the tariff act of 1897 was adopted, Congress would have taken lactarene from the free list and made casein dutiable in its stead.

Particularly, we mention the fact stated in that brief that, with one exception, milk and milk products are dutiable in the tariff act of 1897, as follows:

Butter at $0.06 per pound, under paragraph 236.

Milk (fresh) at $0.02 per gallon, under paragraph 238.

Milk (preserved or condensed or sterilized) at $0.02 per pound, under paragraph 239.

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Milk sugar at $0.05 per pound, under paragraph 239.

Cheese at $0.06 per pound, under paragraph 237.

It has always been the desire of Congress to protect the agricultural products of this country. That casein was left out of the act of 1897 was due to the fact that it was not a commercial entity at that time. But if that omission was made in 1897, is it not now the duty of Congress to make good that omission by treating casein the same as other products of the dairies?

REQUEST RENEWED FOR DUTY ON CASEIN.

In conclusion, we beg to ask your committee if it be fair to accede to the claims of the surface-coated paper manufacturers, with a capital probably in excess of a hundred million dollars, and with an industry which is protected by a duty of 2½ cents per pound and 15 per cent ad valorem, that casein be entered free, at the expense of destroying this casein industry, which has been built up so laboriously over a period of thirteen years, and which benefits more than 20,000 farmers? We do not believe that your committee will accede to that request.

On the contrary, we believe that a consideration of the facts will make your committee overwhelmingly of the opinion that for the protection and furtherance of the casein industry of this country a duty on importations of casein is a necessity. We respectfully ask that this industry be protected by taking lactarene, paragraph 594, off of the free list and making it and casein dutiable as follows:

Casein or lactarene, unground, 2¼ cents per pound.

Casein or lactarene, ground, 2½ cents per pound.

In connection with the foregoing reasons, advanced by our company, why a duty should be placed on importations of foreign casein and why lactarene should be taken from the free list, we desire to reply to certain statements of Mr. Burdette.

OUR COMPANY HAS NO MONOPOLY OF THE CASEIN BUSINESS.

One statement made by Mr. Burdette is that our company has a practical monopoly in furnishing casein in this country. Nothing could be further from the truth. There are some 19 manufacturers of casein, creameries, or dealers in casein at this time engaged in active competition with our company. All of these, with one or two exceptions, are either actively engaged in the manufacture of domestic casein or handle the product of domestic creameries.

MR. BURDETTE'S UNFAIR METHOD.

We should like it noted here that, in our opinion, Mr. Burdette adopted an unfair method of bringing the claims of his clients before your committee. Again and again he referred to our company as a monopoly. As a matter of fact, we have but two factories of our own. Like others, we buy the product of creameries scattered all over the United States. In each of these creameries is a little equipment for the manufacture of casein. The creameries buy their milk from the farmers and, by reason of their ability to manufacture casein from skim milk, are able to pay the farmers a higher price for their

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milk. Mr. Burdette knew that if he presented this aspect of the case he would receive scant attention from your committee. He therefore directed his attack upon our company and hoped, by characterizing us as a monopoly, to secure more favorable consideration for the claims of his constituents.

Another ground on which Mr. Burdette asks for the entry of casein free of duty is that our company can not supply the imperative demand of the paper manufacturers because we can not ourselves get the raw material. We should like to mention in this connection that from the beginning of our organization, in 1900, to the close of 1905, it had been the invariable practice of our company to accumulate large quantities of casein for the benefit of our customers. Our stock at times ran up to four or five million pounds, and in all the contracts we made it was stipulated that our company should furnish the full requirements of our customers. In 1905 the Argentine producers drove us out of Europe and menaced us here with their product. We had to reduce the price of our product from 8 cents per pound to 7 cents per pound, and later to 6½ cents per pound to meet the competition of the Argentine product. At 6½ cents there was practically no profit in the business.

Notwithstanding that we had accumulated millions of pounds of casein for the benefit of the paper coaters, and had always furnished their full requirements, the paper coaters encouraged the Argentine producers and would buy of us only if we "met the price." In the absence of knowledge to what point the Argentine producers would lower the price of their product our company felt it expedient to curtail production and reduce our stocks. Other manufacturers were similarly disposed. If therefore the paper coaters have found that their penny-wise policy has resulted in insufficient stocks of casein being held for their requirements, they have no one but themselves to blame. Had they been willing to purchase the domestic product at a fair price, the domestic manufacturers could have furnished their requirements fully.

WITH THE CASEIN INDUSTRY PROTECTED A SHORTAGE WOULD NOT ARISE.

Mr. Burdette further stated that the domestic supply of casein of this country "is entirely inadequate to meet the demand of the paper manufacturers." We take issue with Mr. Burdette in this statement. Last year we supplied our own trade and in addition sold to coating mills not amongst our regular customers, showing that production equaled consumption.

Mr. Burdette undoubtedly referred to the increasing large quantity he thought his clients will consume during the present year. This extra large consumption was only foreseen since the November elections. If the elections had turned out differently, or if the country had entered on a period of industrial stagnation, the surface-coated paper manufacturers would not have bought from this company, nor from anyone, one pound more of casein than they had use for. Under those circumstances, no manufacturer of casein felt any incentive to accumulate a large stock of this commodity. If there be a shortage, the policy of the surface-coated paper manufacturers, as shown by their attitude toward our company, will readily account for it.

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As a matter of fact, there need not be other than a temporary shortage of casein in this country. It is simply a question of the development of the industry. If Congress will accord the measure of protection that will equal the difference between the cost of skim milk and labor in this country as compared with those factors in the Argentine Republic, new creameries will be equipped with casein machinery and the product of this country will be largely increased. In the meantime, the Government would have the revenue.

AN IMPORT DUTY WILL NOT BE A BAR TO IMPORTATIONS.

Mr. Burdette stated that the importations of casein had practically ceased, for two reasons, one of which was the imposition of the then duty (20 per cent ad valorem). Such a statement could only be made through ignorance. We have already stated that casein can be made in the Argentine Republic at a cost of about $0.0347 per pound. Mr. Burdette's statement that the collection of a duty of 20 per cent on casein which can be produced for 3½ cents per pound in the Argentine Republic, will preclude its importation into the United States in competition with casein selling at 8 cents per pound, is unworthy of consideration.

Mr. Burdette stated that he thought his clients should be able to buy their casein at "not over 6½ cents a pound," and counsel for certain importers, who also addressed your committee, stated that his clients "were not taking chances on bringing casein in with a duty added and make a profit at 6½ cents a pound, because they were afraid that the Casein Company of America might cut under their price." As these parties represent the largest producers of casein in the Argentine Republic, it might be inferred that the surface-coated paper manufacturers have had negotiations with those handling the Argentine casein and are in a position to buy the Argentine product at a lower price than our company or other manufacturers in the United States can afford to sell it. If, as stated by counsel for the importers, the foreign producer can sell his product, with the duty added, and make a profit at 6½ cents per pound, a duty on casein will not be a bar to importations.

THE DOMESTIC MANUFACTURER CAN NOT MAKE CASEIN AT 6½ CENTS A POUND EXCEPT AT A LOSS.

So far as the ability of our company to sell casein at 6½ cents a pound is concerned, we state emphatically that, notwithstanding Mr. Burdette's representations, we can not furnish this commodity at that price. If such stocks of casein as we sold last year had been marketed at 6½ cents a pound, our company would have sustained a loss throughout the entire year.

On the first page of this memorandum we have informed you that last year the actual cost of domestic casein, New York, was $0.0615 per pound.

Not much thought need be wasted on whether we have the ability to sell the product at 6½ cents per pound, from which must be deducted commissions and discounts, general expenses, depreciation of plants, etc.

The business is not what might be called profitable. It is doubtful if we have made, for the entire period since the organization of our company to the present time, 6 per cent per annum on our investment.

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WE HAVE IMPOSED NO UNUSUAL CONDITIONS ON THE TRADE.

So far as Mr. Burdette's statement, that our company has heretofore required the surface-coated paper manufacturers to contract that they will not buy their casein supplies from any one else, is concerned, that statement is untrue with respect to every contract where we have not agreed to supply the maximum requirements of the coaters. If we agree to furnish their maximum requirements, it is proper that they should buy their requirements from us. Beginning 1907, it has been our practice to supply a stipulated quantity, minimum and maximum amounts. The minimum we oblige the coater to take, the maximum we agree to deliver. The coater is privileged to buy, outside, any amount in excess of that which our company is unable to deliver—and from whomsoever he may wish.

CASEIN, ENTERED FREE, WILL ONLY BENEFIT THE PAPER COATER AT THE EXPENSE OF THE DAIRY INTEREST.

Mr. Burdette stated that if the three surface-coated paper companies which he represented could buy their casein from abroad and bring it into this country, free of duty, those three mills would make a saving of $50,000 to $75,000 a year. We do not notice in Mr. Burdette's remarks that he explained the details of this saving. He did not, for instance, tell your committee that the coating is only about 25 per cent of the weight of the surface-coated paper and that there is only about 15 per cent of casein in the coating, and that a reduction in the price of casein from 8 cents to 6½ cents per pound would only make a difference of about one-twentieth of a cent per pound in the cost of the coated paper. This amount is so insignificant that the consumer would certainly not get the benefit of it. The surface-coated paper manufacturers would realize this benefit at the expense of the agricultural and dairy interests of this country.

Very respectfully,

THE CASEIN MANUFACTURING CO.,
MAURICE BARNETT,
Assistant Secretary.

SAGO AND TAPIOCA.

[Paragraphs 652 and 677.]

E. B. WALDEN, NEW YORK, ASKS FOR THE SAME DUTY ON SAGO FLOUR THAT IS PUT ON OTHER FORMS OF STARCH.

NEW YORK CITY, *March 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully petition the Congress to impose the same duty on sago flour and other forms of starch that is imposed upon starch.

Paragraph 285 of the present law failed of its purpose, which was to provide for all starches, regardless of their origin. The provision for "all preparations fit for use as starch" turned out to be restrictive, as it was decided by the Supreme Court that "fit for use as starch" meant fit for laundry purposes (Chew Hing Lung *v.* United States,

176 U. S., 156), and that tapioca flour, although used to some extent by the Chinese for laundry purposes, was not covered by the paragraph, because it was principally used by cotton-cloth manufacturers, calico printers, carpet manufacturers, bookbinders, paper makers, and for various other uses which were not regarded as "starch purposes."

There is a common impression that when starch is spoken of it refers to starch as used for laundry purposes, but as a matter of fact in this country only about 20 per cent of the whole amount of starch produced is used for laundry purposes, and the remaining 80 per cent is used for sizing, filling, and other purposes by cotton-cloth manufacturers, carpet manufacturers, bookbinders, paper makers, calico printers, and others.

A provision for an article depending on its use always opens the door to litigation, and should be avoided if possible, and where the provision is "fit for" a specific use, there is still more uncertainty. In the provision for starch there is no necessity of referring to the use, as starch can be readily recognized, no matter what its origin, by microscopical examination.

Another defect in paragraph 285 of the present law is that its phraseology is so broad that it has lost the specificness which should make it control over other provisions.

The following paragraph is suggested as a substitute:

Starch, from whatever substance produced and by whatever name known, including sago flour, one and one-half cents per pound.

The clause "by whatever name known" is to make the provision apply to starches which may be commercially known by special names. It is considered important to mention sago flour by name, because it has been the subject of litigation and has been held free of duty as "sago, crude." Unless Congress makes it clear that this is to be changed, the courts will continue the interpretation under the new act.

When the present tariff act was being discussed before the Ways and Means Committee in 1897 it was pointed out by the starch manufacturers that under the provisions of the tariff act of 1894 for "sago, crude and sago flour" in the free list large importations of sago flour were made and that it was used in competition with corn and potato starch by the mill owners who use it in sizing yarns and cloth. The Ways and Means Committee were asked by the starch manufacturers to omit the words "sago flour" in the act of 1897 so that it could no longer be imported free of duty and so that it would have to pay duty as starch. The committee acted upon the starch manufacturers' suggestion and omitted the words "sago flour" from the act of 1897. Although the Treasury Department for a number of years made sago flour pay duty as starch, yet a lower court held it not to be a starch and that it should be free as crude sago, and it has been coming in free of duty ever since. This court decision was made on the ground that sago flour was the crudest form of sago imported at that time, and that if it was not included in the words "sago crude," then there would be nothing for those words to apply to and they would have no effect at all in the tariff act. (See U. S. *v.* Littlejohn, 119 Fed. Rep., 483.) At the time this decision was made but little sago flour had been coming into the country, because it had to pay a duty of 1½ cents a pound as starch, but since it has been made free

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it has been imported in very large quantities, because it can be laid down in New York at a lower price than domestic corn or potato starch and it has been impossible in consequence for the corn and potato starch manufacturers here to sell their domestic product in competition with it.

The reasons advanced by the starch manufacturers and which were accepted by your committee in 1897 (Tariff Hearings before the Committee on Ways and Means, December, 1896, January, 1897, p. 1032), and on which the words "sago flour" were omitted from the free list of the act of 1897 are as true to-day as they were then, and as the courts nullified the intention of the Congress to exact a duty as starch, we ask that your committee in the new act by the language suggested above make it certain that under the new act sago flour should pay duty as starch. As sago flour is not a food product and is commercially a different article from the food product pearl sago, there can be no opposition to this request except from importers and cotton manufacturers. As the cotton manufacturers are already protected by an elaborate tariff on cotton cloth, we see no reason why they should be granted free entry of sago flour, an article which is used by them to displace American corn and potato starch.

It is thought that there is no reason why one starch should differ from another starch in duty. Some of them are devoted more largely to special uses, but this seems to be more a matter of price or habit than anything else. As a general rule any starch can be used as a substitute for any other. If, however, Congress thinks there should be any discrimination between different sorts of starches, we at least ask for protection against sago flour, as it is used for the same purposes as American-made cornstarch, and is so much cheaper that now when it comes in free of duty it undersells both potato and cornstarch made here.

Sago flour made by the cheap labor of the Orient is sold in the United States at a price lower than the cost of making cornstarch in this country.

In conclusion, I would say that the Treasury Department was applied to by the starch manufacturers in the last year to bring up a new case before the courts on sago flour and refused to do so, mainly on the ground that as a new tariff act would shortly be enacted the matter could be better brought before Congress for appropriate legislation.

Respectfully, yours, E. B. WALDEN.

BISCUITS AND BREAD.

[Section 6.]

THE AUSTIN BISCUIT COMPANY, BOSTON, MASS., RECOMMENDS A NEW CLASSIFICATION FOR BREADSTUFFS.

BOSTON, *February 16, 1909.*

Mr. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: As per a partial list hereto attached, of some of the English and Scotch machinery, that we have imported for the purpose of reproducing English and European biscuits, that are now

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being imported into this country, and competing for the American trade on this class of goods with foreign manufacturers, we wish to submit to your committee the following:

We find that on account of paying over 100 per cent more for labor to manufacture these goods, than is paid for skilled labor by foreign manufacturers, we are unable to compete in prices for the trade, and that the present duty of 20 per cent does not give us the protection we should have in introducing and fostering this new industry.

We now have in our employ a number of workmen who have applied here for employment, that have been used to performing the same labor on the same machinery in Europe, that are now receiving wages as follows: From $12 to $14 per week, as against £1 8s. (which equals in our money $6.79) per week, that they were receiving on the other side.

The wages we are paying for labor in reproducing these foreign goods are the same that we are paying workmen on our American machinery and ovens, and the wages that we are paying for women and girls in performing part of this work, we believe we are perfectly safe in stating, is from 150 to 200 per cent more than the same labor is paid in Europe.

All we ask for is to be put on the same basis of cost of production as the foreign manufacturers that are competing with us for the American trade. It naturally will occur to your committee that the great difference in cost of production is in wages paid working people in this country as against wages paid by foreign manufacturers.

As we understand it, there is now a 20 per cent duty on bread and biscuits, and as a large percentage of the biscuits that are shipped into this country are what we term "sweet" goods, we suggest that the present duty remain as it is, excepting that a duty of 50 per cent be made on all sweetened biscuits, or in other words, this would let the duty remain as it now is on what we term "sponge" or "soda" crackers or biscuits, which contain no sugar, and a 50 per cent duty on all biscuits that contain sugar.

We trust it may not be out of place in our stating to your committee that on an importation of the woolen felt aprons that we import to use on the imported machinery above referred to, we are paying a duty on these felts at the rate of 44 cents per pound, and an additional 50 per cent ad valorem, making a total duty (to say nothing regarding freight and entry charges), of over 134 per cent on the foreign invoice price of this purchase.

We are not at all complaining about this duty, but simply to remind your committee that other industries seem to be favored with protection that we are not enjoying.

Respectfully submitted.

AUSTIN BISCUIT COMPANY,
J. L. LOOSE, *President.*

EXHIBIT A.

Cost of English and Scotch biscuit machinery and chain ovens imported by the Austin Biscuit Company, Boston, Mass.

Machinery	$20,534.72
Duties	9,250.20
Freights	876.29
Total	30,661.21

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SCHEDULE H—SPIRITS, WINES, AND OTHER BEVERAGES.

WINES AND BRANDIES.

WARWICK M. HOUGH, WASHINGTON, D. C., SUBMITS MEMORIAL OF THE NATIONAL WHOLESALE LIQUOR DEALERS' ASSOCIATION RELATIVE TO BRANDIES AND WINES.

701 HIBBS BUILDING,
Washington, D. C., January 15, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

SIR: I beg to hand you herewith a memorial in connection with the tariff on imported wines and other liquors, prepared by a special committee of the National Wholesale Liquor Dealers' Association of America and presented on behalf of that committee and of the national association.

Respectfully, WARWICK M. HOUGH.

The importers of wines and spirits do not ask for a reduction in the present duties on wines or brandies, as they consider the present rates to be fair and equitable and amply sufficient to protect the wines and spirits of American production. The purpose of this report is chiefly to refute the statements and arguments that were made before the committee on November 12, 1908, by several gentlemen representing the American wine industries.

Taking up first the statements made by the representative of the California wine interests: This gentleman stated that because the reciprocity treaties now in operation between the United States and France, Spain, Portugal, Italy, and other European countries do not distinguish between wines having different strengths, whether containing more or less than 14 per cent alcohol, the foreign shippers send to this country wines of much more than their natural strength, having strengthened them by putting in distilled spirits. These goods he stated are imported at 35 cents per gallon, the reciprocity rate, and after arrival they are weakened to suit the taste. This statement is both false and absurd. In the first place, wines of France, Germany, and nearly if not entirely all those of Italy are naturally light in alcoholic strength, containing from 8 to 12 per cent alcohol, and in a few cases possibly even 13 per cent, and are never shipped over here at greater strengths.

The sweet wines shipped from Spain, Portugal, and the Mediterranean coast of France contain normally from 16 to 20 per cent, most of them being uniformly of 18 per cent, and they are never shipped to this country beyond these strengths. This fact can be

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easily proven by an examination of the records of the custom-house at various ports of the United States, where wines are weighed from time to time for the usual customs purposes. It is therefore not alone not a fact that wines are shipped to this country at strengths in excess of those which are normal, but it would be impossible to make such addition of alcohol without injuring the wine itself. To reduce such fortified wine afterwards by the addition of water or anything else would make it thin, unpalatable, and unfit for use. The alcohol contained in wine is not its cheaf feature, but is merely an incident in its structure. The principal characteristic of a wine is the flavor of the grape with the aroma which is developed by careful maturing, and these two qualities might be expressed as representing vinosity. The alcohol contained in wine is merely one of the attendant ingredients, its function being chiefly to prevent fermentation of the wine itself, and it is of as little consequence otherwise as is the color of the wine. It would be no more absurd to import a wine to which concentrated coloring matter had been added with the purpose of reducing that color after arrival than to add alcohol with the purpose of weakening it after arrival. It is true that some wines are slightly fortified before shipment; but this applies principally to the sweet wines and is practiced in connection with these wines whenever they are shipped out of the country of origin, for the reason that the natural sugar contained in the wines would cause a refermentation, and it is not safe to ship them unless they are slightly fortified. Such wines have a small percentage of alcohol added to them whenever they are intended for export, whether to the United States or to any other country, and, indeed, in many cases they are similarly fortified when intended and sold for home consumption. This is done as a matter of protection to the wine itself, and without any reference whatever to the provisions of the United States tariff, and in no event is the wine fortified to an extent which will make its alcoholic strength as high as 24 per cent.

The gentleman further stated that the California industry is handicapped by the lack of a tax on imported bottles containing wine, in view of the fact that when empty bottles are imported a tariff has to be paid on them. As a matter of fact, a duty is being paid on the bottles which contain wine imported in glass. Wine itself, in bulk, under the reciprocity treaty, is subject to a rate of 35 cents per gallon. The cases of 12 bottles or 24 half bottles contain between 2.25 and 2.4 gallons. Taking the higher figure, the duty on the wine itself contained in 12 bottles or 24 half bottles amounts to 84 cents; but the actual duty on a case of wine is $1.25, leaving a difference of 41 cents to cover the duty on the 12 bottles. If the same bottles were imported empty they would be subject to a duty of 1 cent per pound, or about 18 cents per dozen. So that wine imported in bottles is already under a penalty as against wine imported in bulk.

It was further intimated that the reciprocity duties had reduced the cost to land of imported wines to such a level as to make the competition by American wines—and particularly California wines—as against the imported ones difficult, and that the outlet for wines of American production is thereby restricted. In answer to this we would point out that when the earthquake and subsequent fire occurred in San Francisco in April, 1906, a part of the wine which was being stored there by the California houses was destroyed. The

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total quantity thus lost was but a small percentage of the total production of California. Notwithstanding this fact, the prices on all grades of California wines were immediately advanced, in some cases very considerably, on account of the shortage of stock caused by the destruction of this quantity, and some houses had to have recourse to the cheaper grades of imported wines in order to satisfy the normal demand in this country. This fact in itself proves that the present production of American wines is not greater than the normal demand, and that a loss of a portion of the stock through any unexpected cause, such as the San Francisco catastrophe, creates a shortage in stock which it is necessary to fill by importation from other countries. This, we think, fully answers the claim made that the imported wines interfere with or make in any way difficult the sale of American wines.

As to the gentleman's assertion that something should be done toward correcting the injustice of the present labeling regulations under the pure-food law, we beg to say that the regulations are being more stringently enforced with respect to imported wines than they are in the case of American wines, principally for the reason that imported wines come, at the time of their importation, under the direct and immediate supervision of the pure-food laboratories established by the Department of Agriculture at every port in the United States, whereas domestic wines are shipped from State to State and even though mislabeled are not interfered with unless some federal pure-food officer happens to become aware of a clear case of misrepresentation. We have yet to hear of a case of California wine which has been held up even for examination, whereas every shipment of imported wine is subjected to close scrutiny and compelled to conform to the most technical requirements of the pure-food law.

Respecting the testimony of the secretary of the American Wine Producers' Association, this gentleman stated that the reduction in the duty on champagne coming from France from $8 to $6 has simply given $2 additional profit to the importer without in any way reducing the cost to the consumer. This is only partially true. The retail dealer has not reduced his price; the wholesaler, however, has reduced it, in nearly every case for the full amount of the saving in duty, and the retail liquor dealer who sells the wine by the bottle not to be consumed on the premises, has reduced his price by the full amount of the saving in duty. It can be readily proven that the selling prices of any retail merchants who sell champagne by the bottle other than for consumption on the premises are selling their wines to-day at $2 a case less than they did previous to the reduction in duty, except in respect to one or two wines, the original cost of which in France has been advanced in the meantime.

In conclusion, sight should not be lost of the fact that the reduction in duties on wines and spirits coming from countries with which reciprocity treaties are in effect were made in exchange for concessions that were allowed by these countries in the duties which they collect on goods of American production and manufacture. Thus the duties on American meats, fresh and canned; fruits, fresh, dried, and canned; hops; lumber and manufactured wooden articles; manufactured and prepared pork meats, lard and its compounds, and other products of the United States, have been reduced very considerably upon their importation into France in consideration

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of the reduction in duty on wines and spirits imported into the United States from France. A withdrawal of these reciprocity rates by the United States would disturb the existing reciprocity treaties and immediately result in a withdrawal of the preferential rates that are now being given to American products upon their importation into the European countries in question. The slight advantage that the European wines and brandies are given upon their importation into this country is outweighed many times by the advantages under the reciprocal arrangement which American goods enjoy. If these slight advantages were now to be withdrawn by the United States, it would prove a heavy blow to the American industries whose goods would be affected. The reciprocity treaties with Spain, Portugal, Italy, Germany, Switzerland, and Holland are all similarly based upon a reduction of the duty by these respective countries upon the American raw and manufactured articles imported into these countries, and a withdrawal of the preferential rates guaranteed under the reciprocity treaties to wines and spirits coming from these countries will per se result in a simultaneous withdrawal of the preferential rates given to American goods upon their entrance into the respective European countries. The loss to the American grower, manufacturer, and exporter would many times exceed the value of the protection that would be given to the American wine producer if the reciprocity treaties were withdrawn.

IRVING K. TAYLOR,
Chairman special committee of the National Wholesale Liquor Dealers' Association of America.

WINES.

[Paragraphs 295 and 296.]

BRIEF SUBMITTED BY HENRY E. GOURD, PRESIDENT OF THE FRENCH CHAMBER OF COMMERCE OF NEW YORK, ON BEHALF OF THE IMPORTERS OF FRENCH WINES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to call the attention of your honorable body to the statement made before it by Lee J. Vance, secretary of the American Wine Growers' Association, which we read in tariff hearings of Thursday, November 12, 1908. It is worded as follows:

I have here the last number of the Feuille Vinicole de la Gironde, of October 29, the wine paper published at Bordeaux, and which we receive in exchange at our office. The quotations for wines at Montpellier and at Beziers are as follows: The sale of 1,500 hectoliters from the sellers, partly, at 9 francs 50 centimes a hectoliter. At Beziers the sale of different lots of wine, ranging from 5,000 to 13,000 hectoliters, at 9 francs 25 centimes a hectoliter to 10 francs per hectoliter.

I would say that a hectoliter is 26½ gallons. I would say also that the franc is about 20 cents of our money, and therefore the prices would range from $1.80 to $2 per hectoliter, which is at the rate of about 8 or 9 cents per gallon.

Those are facts, and I believe that a pound of fact, as in the old saying, is worth a ton of theory. Those are the facts as to the wine prices from there, and there should not be much dispute about it. And that is very low; so cheap that we could not possibly, with our conditions here—the prices of land, the labor, the price of turning out the wine—undertake to compete with any such condition, such as the production of wines at 8 and 10 cents per gallon.

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In rebuttal to this testimony we beg to state that we have received a copy of the Feuille Vinicole de la Gironde of December 31, which we annex and wherein we find the following article:

We are informed that the Committee on Ways and Means of the American Congress, which is holding an inquiry in view of the remodeling of the United States tariff, has been acquainted with the contents of a note published in our issue of October 29, under the title "Echos des Vignobles et Marchés." The representatives of the American vineyards would seem to have argued from the fact that wines from Montpellier and Beziers were sold at 9.50 francs and 10.50 francs per hectoliter, that French wines, by their low prices, competed with American wines.

We are highly flattered to see the information given by the Feuille Vinicole de la Gironde used, but we would not like them to be misinterpreted, the figures given applying only in fact to the southern wines intended for local consumption, which wines, on account of their nature, could not be practically exported.

The great wines of France, Burgundy, and Bordeaux are those that are exported to the United States, and everybody knows that the value of the soil in the Gironde and in Burgundy, and the necessary expenses to cultivate the same in order to produce these choice wines, are too high to allow of their sale at any such figure by far as those which we have quoted for southern wines.

We will add that we have consulted on the same subject the chambers of commerce of Montpellier and Beziers, and their replies tend absolutely to the same conclusion, as they state most emphatically that the prices quoted in the above-named paper apply only to wines of very low alcoholic strength, sold as soon as they are made in the locality where they are produced, and absolutely unfit for transportation, as you will see by the following quotations:

[Letter of the Chamber of Commerce of Montpellier.]

MONTPELLIER, *December 10, 1908.*

It is unfortunately true that on account of the crisis that our vineyards have gone through since already too long a time, and of which we hope to see the end as soon as possible, the wines of the southern part of France, called "lowland" wines, have been sold at 9.25 francs to 10 francs per hectoliter, but those wines are only made for and used by the local consumer as they are, and therefore at the prices at which they have been sold these wines could never be exported. You know as well as we do that for export it is necessary to have wines of a high alcoholic degree, and consequently also of a higher price.

[Letter of the Chamber of Commerce of Beziers.]

BEZIERS, *December 10, 1908.*

We wish to state, in due justice to the truth, that the prices of 9 francs to 10 francs per hectoliter, at which certain qualities of wines have been sold in our district, only apply to sales made by the wine grower himself for very ordinary wines, which are only used for the consumption in the country, and especially for local consumption. Nobody in our chamber of commerce has ever heard of such wines being exported, no more to the United States than to any other foreign country.

These letters are in the possession of our counsel. We trust, gentlemen, that you will recognize the justice of our contention when we ask you to not take into consideration the statement of Mr. Vance, the absurdity of which hardly needs to be demonstrated, as his conclusion would rest on the fact that, as long as any wines are sold in France at 9 francs and 10 francs per hectoliter, therefore all French wines should be worth the same price, which conclusions the connoisseurs would like possibly to see put into practice for their benefit, but anybody who knows anything about the price of French wine in general will readily agree that they are radically false and absolutely contradicted by the facts.

We remain, dear sirs, very sincerely,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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SUPPLEMENTAL STATEMENT SUBMITTED BY THE ITALIAN CHAMBER OF COMMERCE, NEW YORK, RELATIVE TO PERCENTAGE OF ALCOHOL IN ITALIAN WINES.

203 BROADWAY,
New York, March 2, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In a supplementary memorial of this chamber relative to duties on wines and spirits submitted to this honorable committee under date of December 10, 1908, and published Wednesday, December 23, 1908, this chamber, under the head "Alcoholic strength of Italian wines," stated that the figures relating to the quantities of Italian wines, imported into the United States in fiscal year 1907 above and below 14 per cent of alcohol by volume, viz, gallons 1,736,702 represented as containing more than 14 per cent and gallons 64,428 represented as containing that amount or less, contained at page 1020 of the official statistics relating to the foreign commerce and navigation of the United States for the year ending June, 1907, were incorrect, because not based upon actual verification of the alcoholic strength of said wines, in too great contrast with the corresponding figures for the six previous years, and not in accord with the fact that only about 15 per cent of the wines produced in Italy contain more than 14 per cent of alcohol, nor with the conditions of the import trade in this country as brought out by actual trade experience.

Since the California wine interests, in their unsuccessful attempt to prove that they are not sufficiently protected with the present 100 per cent tariff protection, have based one of their arguments for revision of the present duties on wine on such incorrect figures, which are apt to mislead and leave this honorable committee under the wrong impression, that the largest percentage of Italian wines imported into this country is represented by wines containing more than 14 per cent of alcohol by volume, this chamber has applied to the Royal Italian Embassy in Washington for information regarding the way in which the figures relating to the amounts of Italian wines imported respectively above and below 14 per cent of alcohol are collated by the custom-houses, and has called the attention of said embassy to the prejudice deriving to the interests of the import trade from the incorrectness of the figures in question, which afford an opportunity for misleading arguments to those who represent interests opposed to the importation of foreign wines into the United States.

In reply thereto the Royal Italian Embassy in Washington has communicated to this chamber that from a letter received from the Department of State it appears that a chemical analysis of the wine imported from Italy is not made in every case, because, under the agreement between this country and Italy, the rate of duty on wines is only one, and that it is the opinion of the appraiser of merchandise at the port of New York that the greatest part of the wine imported from Italy contains less than 14 per cent of alcohol.

The above is respectfully submitted by this chamber in further evidence of its statement that the largest percentage of Italian wines imported into the United States does not contain more than 14 per

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cent of alcohol by volume, and therefore that the arguments advanced by the California wine interests, on the strength of the erroneous figures quoted by them in connection with this matter, are misleading and not according to actual facts.

For the Italian Chamber of Commerce in New York.

LUIGI SOHAN, *President.*

MINERAL WATERS.

[Paragraph 301.]

THE NATIONAL WATER CO., NEW YORK CITY, RECOMMENDS AN INCREASE IN THE DUTY ON TABLE WATERS.

FLAT IRON BUILDING,
New York, January 25, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

SIR: The importance of the mineral-water industry of the United States, shown by the fact that there was produced and sold in 1906 16,036,194 dozen quarts, and in 1907, 17,353,506 dozen quarts, justifies a consideration of the present tariff conditions affecting that industry, and of the discrimination made against it by some foreign tariff on mineral waters.

The National Water Company, a Wisconsin corporation, owning and operating the White Rock Spring and bottling establishment at Waukesha, Wis., is an American enterprise, offering employment to many of our citizens, and its officers feel that in sending you this communication they are voicing not only their views, but also the sentiments of the many owners of American springs whose products are put upon the market.

In the first place, the importation of mineral waters in France is prohibited unless authority to import the same is first duly obtained (see note, p. 26, "Customs tariff of France," published by the Department of Commerce and Labor). In the official explanatory notes published by the French authorities, 1897, volume 1, page 375, it is stated that natural foreign mineral waters can not be admitted unless they are enumerated among those of which the importation and sale has been authorized by decree of the minister of the interior rendered pursuant to French law and on condition that the waters are accompanied by a certificate of origin, delivered and attested by the authorities at the place of production, which certificate must be legalized by the French consular agent at that place. And in case of artificial mineral waters, it is provided that the good quality of the water shall be ascertained by the official chemists from samples taken from each importation.

This country imposes no such onerous, expensive, or prohibitory restrictions upon the importation of mineral waters.

Assuming that the American exporter has gone to the expense and trouble required by France, he is then confronted by the next proposition, that he must ship direct to France or else be obliged to pay an additional duty—a surtax. The imposition of this surtax compels the American producer to ship directly to France, practically

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to Havre, in French bottoms, and in consequence at higher rates of freight than if the choice of route was open, whereas the French importer to this country can send his goods here from any European port that he desires, taking whatever advantage there may be in the rates from the various ports arising from competition and the varying conditions of business. As an instance of the disadvantage which the American product is in as to cost in the matter of transportation as against foreigners, the rate of freight from Waukesha, Wis., the location of the springs of this company and other large bottlers, to New York, the principal place of shipment, is 30 cents per 100 pounds, whereas these goods are brought in from Antwerp, Hamburg, Bremen, and other European ports to New York at the rate of 15 cents per hundred.

Statements have been made to your committee which, to say the least, are disingenuous and certainly misleading. In the letter of the Apollinaris Agency Company to you, dated December 19, 1908, the attempt is made to draw a comparison between the United States duty and the so-called "minimum" French duty on bottled mineral waters, whereas in truth and in fact the duty which France applies to our waters is a maximum duty, and our waters are otherwise discriminated against, as we shall show.

On reference to the official "Tarif des Douanes De France" three rates of duty are given, a general or "maximum" tariff, a "minimum" tariff, and an additional "special entrepôt surtax," exacted in addition on products not of European origin, when they are imported into France via a foreign country. In the list of countries whose products are entitled to the minimum tariff, given at page 97 of the publication of the Department of Commerce and Labor entitled "Customs Tariff of France," the United States is conspicuous by its absence, and the compiler truthfully says, page 14 and footnote:

> Imports from the United States are subject to duties under the maximum tariff, with a few exceptions.

And at page 107 the list of the few products of this country entitled to the French minimum rate does not include mineral waters nor the bottles in which they are imported.

The French tariff on our mineral waters is, therefore, the general or maximum tariff. That is to say, if the importation be directly from the United States to France; but, if the importation to France be by way of any other country, the tariff is not only the so-called "maximum," but, in addition, the "surtax."

The French maximum or general tariff on mineral waters is 20 francs per 100 kilos, or 220 pounds, on the net weight of the water. In addition to this there is a duty on the bottles containing the water of 4.50 francs per 100 kilos, and, of course, as we have seen above, there is in addition a surtax of 3.60 francs if the waters are imported by way of some other than a French port. These rates are taken from the official edition of the French tariff. It is therefore entirely misleading to make any comparisons with the minimum French tariff which, as we have shown, is inapplicable to the United States mineral waters.

It is also misleading to figure on "splits" as a basis of comparison—"splits" is not the size most dealt in in the mineral-water trade, either here or abroad. The sizes most used are half bottles, and in France "splits" are a rarity, and, therefore, not the proper basis of calculation for comparison. Mineral waters are usually shipped in cases containing 50 bottles of commercial quarts or 100 half bottles.

A case of 50 bottles, commercial quarts, will be dutiable in France, under the general tariff, as follows:

	Duty.
Glass, 78 pounds, 35.38 kilos, at 4.5 francs per 100 kilos (1.59 francs).....	$0.31
Water, 79 pounds, 35.83 kilos, at 20 francs per 100 kilos (7.167 francs).....	1.38
	1.69

or 40½ cents per dozen quarts (and with the surtax on 71.21 kilos, at 3.60 francs per 100 kilos, add 11 cents more per dozen).

A case of 100 half-bottles, commercial pints, would be taxed as follows:

	Duty.
Glass, 100 pounds, 45.36 kilos, at 4.5 francs per 100 kilos (2.04 francs).....	$0.39
Water, 85 pounds, 38.56 kilos, at 20 francs per 100 kilos (7.71 francs).....	1.49
	1.88

or 22.56 cents per dozen pints (and with the surtax on 83.92 kilos, at 3.60 francs per 100 kilos, add 7 cents more per dozen).

THE UNITED STATES DUTY.

The United States duty on imports of foreign mineral waters contained in Schedule H of the act of July 24, 1897, is as follows:

301. All mineral waters and all imitations of natural mineral waters, and all artificial mineral waters not specifically provided for in this act, in green or colored glass bottles, containing not more than 1 pint, 20 cents per dozen bottles. If containing more than 1 pint and not more than 1 quart, 30 cents per dozen bottles. But no separate duty shall be assessed upon the bottles. If imported otherwise than in plain green or colored glass bottles, or if imported in such bottles containing more than 1 quart, 24 cents per gallon, and in addition thereto duty shall be collected upon the bottles or other covering at the same rates that would be charged thereon if imported empty or separately.

That is to say the duty on a case of 50 quarts (4⅙ dozen) is $1.25, as against $1.69 in France; and on a case of 100 pints (8⅓ dozen) $1.66, as against $1.88 in France, and more if the surtax be paid. But the bottles are admitted free.

Now what would be the effect of levying a duty on these bottles?

AS TO THE BOTTLES.

Before a fair comparison between the United States and the French duty can be made it is proper that we should ascertain how much is thus conceded to the importer of foreign waters by the admission into the United States of these bottles free of duty. If imported into the United States unfilled they would pay (under Schedule B, paragraph 99) a duty of 1 cent a pound on quarts and 1½ cents a pound on pints. The bottles in the case of 50 quarts weigh about 78 pounds and in the case of 100 pints 100 pounds. This makes 78 cents for every case of 50 quarts and $1.50 for every case of 100 pints imported into the United States. That is to say, 18.72 cents on every dozen quarts and 18 cents on every dozen pints which our Government loses by reason of the short and costly insertion in paragraph 301 of the words "no separate duty shall be assessed upon the bottles."

The fact that the bottles are admitted free is a well recognized factor in the cost by the importer, because such empty bottles are in great demand in this country and meet with a ready sale to large

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and responsible dealers whose business it is to gather up such bottles and who pay for them 15 cents a dozen for quarts and 12 cents a dozen for pints, and upward, practically the total amount of duty.

COMPARISON.

Bearing the matter of the bottles in mind, the comparison of the duty would be as follows:

In the case of 50 quarts the American importer would have to pay in France, both on the water and on the bottles, a total of		$1.69
Whereas the French importer to this country would pay us a duty, on the water of	$1.25	
And saves on bottles a duty of	.78	
		.47
Making a discrimination or difference against the United States of		1.22
Or over 29 cents per dozen quarts.		
In the case of 100 pints the American importer would have to pay in France, both on the water and on the bottles, a total of		1.88
Whereas the French importer to this country would pay us a duty, on the water of	$1.66	
And saves on bottles a duty of	1.50	
		.16
Making a discrimination or difference against the United States of		1.72
Or over 20½ cents per dozen pints.		

AN INCREASE IN REVENUE.

Imposition of a duty on these bottles would not only tend to meet the French discrimination against our mineral waters, but would increase our revenue as well.

Some idea of what this would amount to in the case of mineral waters can be had by looking at the tables of our imports of merchandise, compiled by the Department of Commerce and Labor:

	Dozen quarts.
For the year ending June 30, 1906	1,127,008
For the year ending June 30, 1907	1,156,368
For the year ending June 30, 1908	1,179,965

Even if the bottles containing this water had all been quarts, and the duty thereon of 1 cent a pound paid, the Government would have received an additional revenue therefrom in each of these years of over $200,000; but of course a large quantity came in pint bottles, which would increase the amount.

We feel called upon to draw your attention to the fact that the conditions we have pointed out are likely to be further accentuated, to our damage. A French commission is now preparing a revision of the French tariff to be presented to the French legislature for its action, and this commission has officially promulgated schedules which it has recommended for adoption, copies of which so far as completed are on the files of the Department of Commerce and Labor. While the item of mineral waters and bottles has not yet been reached, we are informed that the maximum rate has been increased on every item in the schedules thus far promulgated on products therein included which are exported by the United States. Therefore, in fixing a tariff on mineral waters imported into the United States, if our products are to be put upon the same basis as the French, the pending revision of the French tariff and its effect must be taken into consideration and allowance made therefor.

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We therefore respectfully suggest, in the full belief that the revenue of the Government would be increased thereby, either that the United States duty on mineral waters be raised to 48 cents per dozen for quarts and 38 cents per dozen for pints or that in addition to the present rate upon the water a duty be imposed upon the bottles at the same rate as in paragraph 99 of Schedule B—namely, 1 cent a pound for quarts and 1½ cents a pound for pints.

Respectfully submitted.

NATIONAL WATER COMPANY,
By WM. A. MARBURY, *President.*

LEE J. VANCE, NEW YORK CITY, PUBLISHER OF THE MINERAL WATER NEWS, ASKS FOR INCREASED DUTY ON MINERAL WATERS AS A MATTER OF PROTECTION.

245 BROADWAY,
New York, February 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to present on behalf of the American mineral water industry an additional statement to the one made before your committee on November 12, 1908. We do this for two reasons:

First, to set the record straight, and again to correct some of the loose and misleading statements contained in the three briefs filed by the foreign or importing mineral water trade interests.

Second, to show to the committee the necessity of having a higher rate of duty than the present one on such an article of luxury as foreign table waters, and thereby increase the revenue.

In answer to our first statement, the Apollinaris Agency Company has filed two separate briefs, and Mr. Henry Melville, attorney for the Apollinaris Company (Limited) has filed another brief.

Therefore, to correct certain errors and to lay the actual facts before the committee, the following is submitted:

The brief of the Apollinaris Agency Company begins by stating that prior to 1879 foreign waters came in free of duty, but after that, from 1879 to 1890, there was imposed a duty of 30 per cent on the glass bottles.

But the brief of the Apollinaris Agency Company shrewdly omits to mention the important fact that prior to 1879 the United States tariff law required "artificial water" to pay duty, while natural water was allowed to come in free.

It should be remembered that prior to 1879 the importation, sale, and consumption of mineral waters in the United States were rather limited. The business was then in its infancy, and the framers of the old tariff law did not calculate on a large revenue which might be collected from such a luxury as foreign table waters.

That such waters are indeed a luxury may be seen from the high prices at which they are sold to the public. Thus, at all of the leading restaurants, cafes, and hotels Apollinaris water is listed at from 25 to 40 cents per quart bottle and at from 15 to 25 cents per pint. In other words, a bottle of Apollinaris water sells for as much as or more than a bottle of milk, tea, coffee, or even a bottle of table wine.

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Now, in 1879-80, under the tariff law which required an "artificial water" to pay duty and admitted natural water free, Apollinaris was assessed for duty by the appraiser at the port of New York as an "artificial water."

The collector of the port of New York concurred with the appraiser. The importers paid the duties on Apollinaris as an artificial water under protest, and the Secretary of the Treasury before deciding the matter submitted it to the United States Attorney-General for his opinion.

The opinion of Attorney-General Wayne MacVeagh, which was rendered July 26, 1881, is interesting, as it practically answers the brief filed December 2, 1908, or over twenty-seven years later, by Mr. Henry Melville, the attorney for the Apollinaris Company.

The Attorney-General in his legal opinion sent to the Secretary of the Treasury said, among other things:

SIR: I return herewith the papers submitted to me with the letter of Acting Secretary French, requesting my opinion whether Apollinaris is entitled to admission free of duty. In reply thereto I have the honor to state that I have carefully investigated the subject, etc.

The Apollinaris water is not bottled as it flows from the spring, but it is, in the first place, heavily surcharged with carbonic-acid gas, and 10 parts of salt are added to 10,000 parts of water.

As to the salt, the importers allege that it is simply added to preserve the water in its natural state and to prevent contact with the cork from altering it. This, however, is also as earnestly denied, and it is insisted that the salt is added, like the alleged excess of carbonic-acid gas, for the sole purpose of altering the natural character of the water as it flows from the spring and of enhancing its value as a sparkling and palatable beverage.

In view of this conflict of testimony, and of the fact that Special Agent Adams, of your department, Mr. Sherer, the chemist selected by him, as well as Appraiser Howard and Collector Merritt, of the port of New York, have after thorough consideration concurred in finding that the water in question is subjected to such alteration after it leaves the spring as to render it an artificial mineral water, I am of the opinion that it ought to be so regarded, and held to be liable to duty.

Six months later, or in January, 1882, the Secretary of the Treasury decided to adhere to the former decisions of the department that the water be admitted free of duty, on the ground that the addition of carbonic-acid gas and of salt did not so change its character as to render it an artificial product. The allegation that "iron" was taken from the natural Apollinaris water was held to be not fully sustained by the evidence then submitted.

This question, as to how far Apollinaris is an artificial water and how far it is a natural water, has not been entirely free from doubt nor completely settled for our authorities. It is likely to come up some time under our food and drugs act of June 30, 1906.

The ruling of the United States Board of Food and Drug Inspection, issued May 13, 1908, reads as follows:

No water should be labeled as a natural water unless it be in the same condition as at source, without additions or abstractions of any substance or substances.

It remains to be seen if Apollinaris water, shipped and sold in the United States, can be or will be labeled as a "natural" water.

FRENCH RESTRICTIONS ON FOREIGN WATERS.

The attorney of the Apollinaris Company, in his brief, does not deny the statement that at one time the French authorities com-

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pelled bottles of Apollinaris entered and sold in France to be marked "artificielle." The fact can be easily proved. It is said, however, that the ruling has been amended, so that at the present time Apollinaris "is not considered as an artificial water."

The question still remains: Can Apollinaris water be considered as a natural water under the French law which forbids any manipulation whatever of a "natural water?"

The French law on the subject of mineral waters is stated in the United States Consular Reports of 1901, on the "Mineral water industry" (Vol. XXII, Part II. p. 104), as follows:

Every petition for authority to conduct a mineral-water spring shall be accompanied by a certificate emanating from the bureau of mines to the effect that the water has in no manner been adjusted to the extraction of any of its original elements or been gasified, and the owners must undertake that no such manipulations shall occur.

In our statement we quoted the report of the Hon. R. P. Skinner, United States consul-general, who stated:

As to foreign mineral waters, they can only be imported into France if they figure upon the official list of authorized mineral waters. In the contrary case they are prohibited. But this prohibition may be removed by ministerial decision upon a formulated demand addressed directly by the importers to the minister of the interior.

Now, how many American mineral waters have passed the necessary examination, and how many figure upon the official list of authorized mineral waters in France?

The whole French policy seems to be to protect their own mineral waters and to bar out foreign mineral waters by a prohibitive duty. This duty is, as we have stated, 20 francs per 100 kilos ($3.86 per 220 pounds) net, and the recipients are subjected to a tax applicable according to their nature, together with certain restrictions.

The answer of the Apollinaris Agency Company is that "the minimum tariff (of France) makes mineral waters of all kinds free of duty."

Yes, we understand that; but the minimum tariff does not apply to American waters. As Consul-General Skinner expressly states in his report—

Under the minimum tariff (which does not apply to products of American origin) mineral waters are free of duty, etc.

A letter from the secretary of the American Chamber of Commerce at Paris, France, confirms this statement, as follows:

We are in receipt of your letter of February 11, and we have to inform you that a law was passed by the French Parliament on July 18, 1906, imposing a minimum duty of exempt and a maximum duty of 20 francs per 100 kilos net on mineral waters of foreign origin.

The French Republic throws all products of American origin under the maximum rates of the customs duties.

Against the French duty of 20 francs ($3.86) per 100 kilos net (220 pounds) we throw open the great and powerful markets of the United States to foreign waters under the small duty of 20 cents per dozen bottles containing not more than 1 pint, and 30 cents per dozen bottles containing not more than one quart; and no separate duty is assessed upon the bottles, and no restrictions. (See Schedule H, par. 301, tariff law of 1897.)

Allowance should also be made for the great difference in the cost of production, materials, freight rates, etc. Thus the cost of labor and for bottles in France are about 25 to 30 per cent less than they are in the United States. The freight rates from the Apollinaris

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Spring in Germany to New York are low, as the goods can be shipped as ballast at a rate of about 20 cents or less per hundred, while the rate from Waukesha, Wis., to New York is 30 cents per hundred. In addition to the high duty, there are various government port and landing charges in France, estimated at 1.50 francs, or about 30 cents.

GERMAN RESTRICTIONS ON MINERAL WATERS.

The Apollinaris Agency Company in its brief objects to our citing the French tariff and restrictions on imported mineral waters, and suggests that we refer to the tariffs of "other countries, including Germany." We accept the suggestion. The German restriction on mineral waters is interesting, if not ingenious. On July 1, 1906, the German Government issued an official circular, which, translated, reads as follows:

[Translation of the official circular issued by direction of the German Government, owners of the Royal mineral springs of Ems, Langenschwalbach, and Schlangenbad.]

INSTRUCTION FOR GERMAN DEALERS RELATIVE TO THE SALE OF THE ROYAL MINERAL SPRINGS OF EMS, LANGENSCHWALBACH, AND SCHLANGENBAD TO FOREIGN COUNTRIES AND AUSTRIA-HUNGARY.

1. Direct or indirect exportation to the following countries is prohibited: France and French colonies, Holland and Dutch colonies, Switzerland, United States of America.
2. To all other foreign countries or to Austria-Hungary (excluding Luxemburg) it is permitted to deal only in such packages and labels as are designated by the Royal Springs Company, and for this an additional price (to cover contemplated foreign advertising) of 1 mark per 100 packages, irrespective of size, will be charged.
3. For all shipments destined for export from Ems or Ehrenbreitstein, it is required for statistical and advertising purposes that the port of destination be mentioned at the time of giving the order.

Good until canceled.

ROYAL PRUSSIAN BADE-U-BRUNNENDIREKTION.

EMS, *July 1, 1906.*

One plain purpose of this order of the German Government is to hold and control its monopoly in certain mineral waters. Although the direct or indirect exportation of Ems and the other water is forbidden to the United States, yet these same waters have been and are now imported into the United States the same as before the order was issued. These German waters are so restricted, however, that American buyers can only obtain them through the agent of the German Government, who, curiously enough, is prohibited from importing them here.

Other foreign spring owners, not in a position to enforce their mandates against shipments to this country, use other methods to obtain a monopoly in this country and kill off competition.

As it is now a citizen of the United States can not purchase foreign mineral waters in the open market of Europe at the same price and under the same conditions as citizens of other countries. To illustrate:

The standard bottle in Europe contains one liter, which is about 2¾ ounces more than the American standard quart. Now, the difference between the two bottles is barely perceptible to the eye, yet if imported in one liter bottle duty is assessed at 24 cents per gallon and

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1 cent per pound on the bottles, making the duty about 96 cents per dozen for an additional 33 ounces of water.

This has led many European spring owners to have a bottle made especially of the quart size for the United States and retain the liter bottle for home trade. Therefore the present United States tariff simply aids in creating a monopoly and in the restriction of the free importation of such mineral waters, as the present difference in tariff charges between a quart bottle and a liter bottle prevents the importation of the liter size.

We suggest that paragraph 301 of the tariff act be amended by adding the term "half liter" to the word "pint" and adding the word "liter" to the word "quart," to read as follows:

PAR. 301. All mineral waters and all imitations of natural mineral waters, and all artificial mineral waters not especially provided for in this act, in green or colored glass bottles, containing not more than one pint or half liter, twenty cents per dozen bottles. If containing more than one pint or half liter and not more than one quart or liter, thirty cents per dozen bottles. But no separate duty shall be assessed upon the bottles. If imported otherwise than in plain green or colored glass bottles, or if imported in such bottles containing more than one quart or liter, twenty-four cents per gallon, and in addition thereto duty shall be collected upon the bottles or other covering at the same rate that would be charged thereon if imported empty or separately.

Also the following addition:

Upon evidence submitted to the United States Treasury Department and collector of customs at port of entry, any mineral water upon which there is a discrimination against the free exportation in the country of origin against shipments to the United States double the above duty shall be collected.

This latter provision would tend to prevent monoply and would allow the American merchant to purchase this class of goods in Europe at the same price as the foreign merchant.

LEE J. VANCE.

S. C. NEALE, WASHINGTON, D. C., OFFERS SUGGESTIONS TO REMEDY ALLEGED DISCRIMINATIONS OF FRENCH GOVERNMENT AGAINST AMERICAN MINERAL WATERS.

1306 F STREET,
Washington, D. C., February 22, 1909.

Hon. JOHN DALZELL, M. C.,
House of Representatives.

MY DEAR MR. DALZELL: Some of my personal friends are greatly interested in the subject which we discussed briefly a few weeks since, namely, the unjust discrimination against American mineral waters by the French Government.

A number of plans have been suggested by which this unfair treatment might be remedied, and, as bearing upon the subject, I inclose memoranda which have been sent me, showing how the wrong may be righted.

Will you kindly look this over at your convenience, for I know you are always anxious to do justice to meritorious people?

Mr. Payne has a copy of this letter also, delivered to him by a mutual friend, I think, some time since.

Very faithfully, yours, S. C. NEALE.

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WASHINGTON, D. C., *January 25, 1909.*

S. C. NEALE, Esq.,
1306 F street, Washington, D. C.

MY DEAR MR. NEALE: Referring to our conversation, in which you wished me to epitomize the suggestion made to you as a short and satisfactory method of meeting the discrimination of the present tariff against the mineral-water industry and of increasing the United States revenue, I would propose a short amendment to paragraph 301 of the act of July 24, 1897, by simply striking out the words "but no separate duty shall be assessed on the bottles" (punctuating the section so as to unequivocally impose a separate duty on the bottles).

The duty levied on mineral waters under section 301, imported in the usual tinted bottles, is 20 cents a dozen for pints and 30 cents a dozen for quarts, but the section further contains the provision above quoted, imposing no separate duty on the bottles themselves.

Therefore while the waters pay duty the bottles do not. Whereas if the same bottles came in empty they would pay a duty under section 99 of 1½ cents per pound for pint bottles and 1 cent per pound on quart bottles, and as empty quart bottles weigh about 18¾ pounds to the dozen and the pints 12 pounds to the dozen, the duty now saved by the importer of mineral waters on his bottles coming to the country in this way is 18¾ cents on every dozen quarts and 18 cents on every dozen pints. If the domestic bottler should want to import and use the same kind of bottles, he would have to pay just that amount of duty on them before he put up his goods. The water importer is ahead of the domestic bottler to that extent at least, as he is also in the matter of freights. He can ship to New York (the great distributing center) from Bremen, Hamburg, etc., at 15 cents per hundred, whereas the rates to New York from the Waukesha Springs is 30 cents.

The importations of mineral waters are as follows:

For the fiscal year ending June 30, 1906, 1,127,008 dozen quarts.

For the fiscal year ending June 30, 1907, 1,156,368 dozen quarts.

For the fiscal year ending June 30, 1908, 1,179,965 dozen quarts.

If section 301 of the tariff stood as we desire to have it amended, the Government would have received therefrom an additional revenue of over $200,000 in each of these years from the importation of mineral waters, assuming that all came in quart bottles; but many came in pints, which increases the amount. This increased revenue would arise from taxing a luxury and not a necessity. The increased duty would not decrease the importations, nor would it increase the cost to the consumer, there being a wide margin of profit for both wholesale and retail dealers. For instance, the Apollinaris Company sell their water here in 25-case lots at $7.50 per case of 50 quarts, and $11 per case of 100 pints (large consumers have probably a further discount of 25 cents to 50 cents a case). Perrier water is similarly sold at $7.25 per case of quarts and $10.75 per case of pints. This is an equivalent to $1.74 a dozen for quarts and $1.29 for pints. But the purchasers at these prices, the distributors, sell at wholesale at $8.50 per case for quarts and $12 for pints, equivalent to $2.04 a dozen for quarts and $1.44 for pints, and at retail for $2.25 a dozen for quarts and $1.60 for pints. (See wholesale and retail price lists of Park & Tilford, and Acker, Merrill, Condit Company, etc.) These prices are practically uniform throughout the country, and show a margin of 51 cents a dozen for quarts and 31 cents for pints, from the time the goods leave the hands of the importer here—a profit which is much increased by hotel and restaurant prices. The foreigner has also a further wide margin of profit, owing to his cheap labor and materials as evidenced by the expensive and lavish advertisements, which can be seen in the daily newspapers, and further by the fact that at any public or semipublic banquet they make great efforts to give their waters free that they may attract attention and obtain customers.

This increase, then, would come out of the foreigner, and then only to the extent of his paying a just duty on bottles, which he or his customer can sell here secondhand, when empty, for practically the price of the duty. And, furthermore, it would foster an American industry which pays its workmen and women a minimum wage of $1.50 a day, as against a wage of from 30 cents to 80 cents a day abroad.

The amendment suggested would be beneficial not only to the mineral-water industry, but also to the manufacturers of bottles. The foreign importer is not entitled to any discrimination in his favor, as most foreign countries impose duty on bottles.

France also actively discriminates against our mineral waters, prohibiting importation unless special permission be first obtained under onerous conditions. Moreover, France imposes a tariff of 20 francs per 100 kilos on the water itself and 4.50 francs per 100 kilos on bottles, equal to 40½ cents per dozen quarts and 22.56 cents per dozen pints, as against our duty of 30 cents for quarts and 20 cents for pints.

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The rate of French duty is still higher if the importation to France be via some other European country. Further, the French are now preparing a new tariff, the schedules so far promulgated indicating an increase of all the duties applicable to American products.

Yours, truly, HERMAN ELLIS.

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK, ON BEHALF OF THE IMPORTERS OF FRENCH MINERAL WATERS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We will not stop to refute the statement of Mr. Lee J. Vance on the subject of mineral waters, as it has already been done with authority by Mr. I. Haldenstein, who has shown, in relation to mineral waters, as we have in relation to wines, that the conclusions of the secretary of the Wine Growers' Association were not entitled to any credit whatsoever, as they were drawn from premises with which they had no logical connection.

We wish simply to call the attention of your honorable body to the discrimination established by the present tariff against the splits or half pints, which pay duty at the rate of 20 cents per dozen, or $1.66⅔ on 100 splits, which is, in our opinion, quite excessive.

You will please bear in mind that this size of bottle is employed when a small quantity of fresh water is wanted—for instance, in cases of sickness—and it would be an unnecessary hardship to make the sick pay such an extravagant duty for a very small comfort. You will notice, on the other hand, that the present duty is considerably above the maximum French duty, which is $1.21 per case of 100 splits, while the minimum duty is of 3⅛ cents per dozen, against the American duty of 20 cents per dozen.

Trusting, gentlemen, that you will give this matter the proper consideration, we remain,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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SCHEDULE I—COTTON, AND MANUFACTURES OF.

EMBROIDERY COTTON.

[Paragraph 302.]

FRANK F. PELS & CO., OF NEW YORK CITY, ASK FOR MORE DEFINITE CLASSIFICATION OF EMBROIDERY COTTONS.

520–522 BROADWAY,
New York, January 22, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Under the tariff act of 1897 you provided for all classes of embroidery cottons, as follows:

303. Spool thread of cotton, including crochet, darning, and embroidery cottons, on spools or reels, containing on each reel or spool not exceeding one hundred yards of thread, six cents per dozen; exceeding one hundred yards on each spool or reel, for every additional hundred yards or fractional part thereof in excess of one hundred, six cents per dozen spools or reels; if otherwise than on spools or reels, one-half of one cent for each one hundred yards or fractional part thereof: *Provided*, That in no case shall the duty be assessed upon a less number of yards than is marked on the spools or reels.

Until 1903 a duty of one-half cent for each 100 yards was assessed upon all classes of embroidery cotton, including embroidery cottons used upon the schiffle machines.

In 1903 we found that there was some kind of trouble, for embroidery cottons were being offered in this market at such prices that the duty prescribed under the Dingley Act could certainly not prevail.

We made an investigation and found that the subject of classification of embroidery cottons had been before the Board of United States General Appraisers which had decided that the duty of one-half cent per hundred yards was correct. An appeal was taken to the United States court, Loeb & Schoenfeldt *v.* United States (150 Fed. Rep., 327), wherein it was decided that embroidery cottons were dutiable under section 302 as cotton yarns and as the practical effect of this great decision we beg to quote the following letter from the United States Appraiser, port of New York, dated January 9, 1909:

This office is in receipt of your letter, January 6, 1909, requesting information regarding the rates of duty on embroidery cottons prior and subsequent to the decision in the case of Loeb & Schoenfeldt *v.* United States.

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In reply, you are informed that cotton yarns for use on embroidery machines were formerly termed for duty at one-half of 1 cent per hundred yards under paragraph 303 of the tariff, but in view of the decision in the case of Loeb & Schoenfeldt *v.* United States (150 Fed. Rep., 327; T. D. 27752), such yarns are now being returned for duty as cotton yarn, according to number and condition, under paragraph 302 of the tariff. No. 50s, which were formerly returned at the equivalent of 42 cents per pound are now returned at 12½ cents per pound; No. 100s, which were returned at the equivalent of $1.00½ per pound, are now returned at 36 cents per pound.

In connection with this decision of the federal court we had no notice of the trial of the case at New York, or notice of the original contention when it was raised before the Board of United States General Appraisers.

The language used in section 303 is sweeping and covers every grade of embroidery cotton. We simply ask that the manifest intention of Congress as expressed in the Dingley Act be put into effect. I mean by this that the language of section 303 should be so changed as to include all classes of embroidery cottons that the duties which may be decided upon for this class of merchandise.

May I have the honor of an appointment with your committee or any member of your committee, in order that I may lay before him samples and further evidence of the correctness of our contention?

Yours, very truly,

FRANK F. PELS & CO.,
Per FRANK F. PELS.

FRANK F. PELS & CO., COTTON YARNS,
New York, January 28, 1909.

WILLIAM K. PAYNE,
Clerk Ways and Means Committee,
Washington, D. C.

DEAR SIR: I highly appreciate yours of January 22, referring to section 303 of the Dingley tariff, of which you send me an amendment which in part reads as follows:

Spool thread of cotton, including crochet and darning cottons for embroidering, on spools or reels, containing on each spool or reel not exceeding one hundred yards of thread.

Without recommending the rate of duty which shall apply to embroidery cottons, it seems to us that the first part of the section covering this merchandise should read as follows:

Spool thread of cotton, including two or three ply yarn on tubes or cones, crochet and darning cotton, and cotton for embroidering, on spools, reels, or bobbins used in shuttles for embroidering, containing on each reel, spool, or bobbin, not exceeding one hundred yards of thread.

Under the phraseology named above the rates of duty which may be determined by Congress can not, in our judgment, be misinterpreted.

Yours, very truly,

FRANK F. PELS & CO.,
Per FRANK F. PELS.

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COTTON YARNS.

[Paragraphs 302 and 303.]

THEODORE H. STROUSE, OF PHILADELPHIA, PA., SUBMITS VARIOUS REASONS WHY THE DUTIES ON COTTON YARNS SHOULD NOT BE ADVANCED.

426 AND 428 MARKET STREET,
Philadelphia, March 8, 1909.

Hon. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: I beg to submit the following remarks regarding the suggestions brought before your committee in December last by C. Minot Weld, president of the New England Cotton Yarn Company, who in these suggestions advocated an increase in duties on cotton yarns imported into the United States, and also beg to call your attention to the inconsistent portions of the present tariff schedule on cotton yarns.

In the first place, the comparisons offered to your committee by Mr. Weld between the year 1898 and the year 1907 on the average price per pound are hardly fair, as will be shown.

In the years 1898 and 1899 the prices of cotton yarns of foreign spinning and imported into the United States were then at their lowest point for many years, and in the year 1907 prices were higher than in any year since the civil war.

If comparisons on the average prices per pound had been offered your committee between the year, say, of 1900 and the year 1907, the difference in prices would certainly have been very much less, for in 1900 prices had advanced to their highest point in twenty years past.

Also, the great increase in importations of the years after 1898 and up to 1907, and in fact up to the present time, were due in a great measure to the fact that since 1898 there has sprung up a new industry which has revolutionized textile manufacture and fabrics, and known to the trade as mercerizing. The best results of mercerizing or lustering are shown on yarns spun from Egyptian and Sea Island cottons, and these yarns have been in great demand from abroad, notwithstanding that millions of pounds of the same qualities are spun in the United States.

It is very evident, therefore, that the greatly increased importations of cotton yarns since 1898 has been due to the fact that a large proportion has been imported for the purpose of applying the mercerizing and dyeing processes here in the United States.

The various finishing processes applied to cotton yarns before exporting to the United States have very little to do with the average increase in prices as per Mr. Weld's comparisons between the year 1898 and the year of 1907. With the exception of the process of mercerizing, all the other processes of finishing were applied to large quantities of yarn exported to the United States in the year 1898 and the years previous to it.

The increase in prices between any two or more years is a question of the price of cotton and the demand for yarns, and, as said before,

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in 1898 prices on cotton yarns touched bottom, and in 1907 they reached a highly prohibitive point.

Furthermore, there is not a single finishing process applied to cotton yarn before their importation into the United States that will add over 6 cents per pound to their cost and some processes add but 2 cents. These include the processes such as gassing, mercerizing, bleaching, and dyeing, and if, for example, three of these processes were applied to the yarn before importation, like gassing, mercerizing, and dyeing, the extra cost added for these would not exceed 15 cents, and, naturally, this 15 cents is added to the original price of the yarn, making the total cost, with the duties and importing charges added thereto, equal and mostly always exceeding the price for the same number, quality, and processing of yarn manufactured in the United States.

Also, all cotton yarn imported is sold to us on a basis of calculation length weight—the Manchester (England) Chamber of Commerce allowing up to 8 per cent for shrinkage—making a loss we must stand and add to our total cost of from 5 to 8 per cent, the American manufacturer justly exacting scale weight, 16 ounces to the pound, from the importer.

It is also a well-known fact among the yarn-importing trade that the great majority of yarns imported into the United States under No. 50, and often under No. 60 with the present duties added, are too costly to compete with the same numbers and quality of American spinning, besides 85 per cent of the cotton yarns consumed in the United States are from No. 60 and under, there being a much less proportion of spindles engaged in spinning fine numbers over 60 than under.

The suggestion that yarns with the various finishing processes thereon be taxed an additional duty is certainly unfair.

They ask in addition to an increased duty per pound (which has already been shown is unnecessary) that one-tenth cent per number be added. Now, it is a fact that excepting the extreme high numbers above 80 the price of bleaching, mercerizing, dyeing, and gassing are the same abroad on all numbers, therefore, why, for example, No. 70 should be taxed 4 cents more than number 30 for a process which costs the same on either number is difficult to understand, especially in view of the fact that the present duty amply protects the various yarns, increasing in money as they increase in number.

Furthermore, it would be most unjust to tax a process like dyeing, mercerizing, bleaching, and gassing from 66 to 200 per cent in addition to an advocated increased duty over the present tariff schedule.

For example, a 40 two-ply yarn in England or the Continent can be dyed for 6 cents.

	Cents.
Bleached	2½
Mercerized	6
Gassed	2

Mr. Weld suggests that you tax these processes as follows:

	Cents
Dyeing	4
Bleaching	4
Mercerizing	4
Gassing	4

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As the above facts show, there seems to be little question that the present duties amply protect the American spinner, as is evidenced by the prosperity the spinning mills, yarn dealers, convertors, etc., have enjoyed in the past eight years (barring the panic of 1907). Were this not so, the American market would be flooded with Egyptian and sea island yarns of English spinning, which, as a matter of fact, make up a small proportion of these yarns consumed in the United States.

I trust that the above facts will be given due consideration by your committee before any attempt is made to increase the present tariff schedule on cotton yarns.

Paragraph 302 (act of 1897) reads (two and more ply yarns):

On all numbers up to and including No. 20; per pound, 6 cents. On all numbers exceeding No. 20 and up to No. 80, per pound per number, one-fourth cent.

Thus, 20 two-ply yarn enters at 6 cents, per pound, whereas 22 two-ply, two numbers finer, according to the above schedule, enters at 5½ cents per pound. This can be remedied by having it read, "On all numbers up to and including No. 24, per pound, 6 cents."

All two and more ply yarns, whether colored, dyed, or bleached, enter on the same schedule as two and more ply gray or natural yarns, whereas all single yarns, if colored, dyed, or bleached, must pay an extra duty over that of single gray or natural yarns. For example:

No. 15 single natural yarn enters at 3 cents per pound.

No. 15 single dyed yarn enters at 6 cents per pound.

No. 20 two-ply natural or dyed enters at 6 cents per pound.

The cost of dyeing single yarns being practically the same as two and more ply, it seems unfair to put the single dyed yarns under the same schedule as two and more ply, when the latter pay nothing extra if dyed or bleached, and this is especially so in single numbers up to 15, where the additional duty for dyed yarns is about 50 per cent of the cost of dyeing, and 100 per cent of the cost of bleaching.

Single eighties, natural combed yarn, enters at 24 cents per pound.

Single eighties, natural carded yarn, enters at 20 cents per pound, whereas 80/2 ply natural yarn, whether combed or carded, enters at 24 cents per pound. There is just as much reason for reducing the duty on 80/2 ply carded yarn to 20 cents as there is on single eighties.

Paragraph 303 (cotton thread) reads: "Not on spools or reels, for each piece of 100 yards or less—per piece one-half cent." There are constant importations of 3-ply reverse thread yarns in 30/3 to 80/3 ply for sewing purposes in skein and warps, which enter on the regular cotton-yarn schedule. For example: 30/3 ply enters at 7½ cents per pound, whereas, if entered according to its proper schedule, would pay 42 cents per pound, there being 8,400 yards to 1 pound of 30/3 ply.

If this schedule were properly enforced, it would preclude all 3-ply reverse yarns from entering into the United States. So, as most of the finishing and winding processes are applied to these thread yarns in this country, it seems that they would more properly belong under the cotton-yarn schedule, paragraph 302.

No. 80 2-ply yarn enters at 24 cents per pound, 78/2 ply yarn enters at 19½ cents per pound—a saving of 4½ cents per pound when 78/2 ply is imported; and, as a matter of fact, in every case,

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with possibly a very few exceptions; 78/2 is imported and used for 80/2 ply. To overcome this evasion it might be well to have the schedule read:

"On all numbers exceeding 24 and up to 80, inclusive, per pound per number, one-fourth cent."

Respectfully submitted.

THEODORE H. STROUSE,
Of Theodore H. Strouse & Co.,
Importers and Commission Merchants of
Mercerized and Plain Cotton Yarns.

SEWING THREADS.

[Paragraphs 302, 303, and 330.]

BRIEF SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY ON BEHALF OF THE IMPORTERS REPRESENTING THE FRENCH DOBLERS AND MANUFACTURERS OF SEWING THREADS.

No. 32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to call the attention of your honorable body to the following considerations:

The principals whom we represent in this matter ask for a reduction of the actual duty of 25 to 30 per cent on their goods to 10 or 15 per cent, basing their argument on the fact that, the cost of manufacturing these articles being about the same in all countries, the United States enjoy a considerable advantage on account of their facilities to buy the raw cotton on the spot at cheap prices, and therefore the domestic industry has no need of such a high protection.

Furthermore, as far as the imported sewing thread is concerned, the duty is based at so much a yard, which is quite natural for all goods put up by the yard, but when they are put up in balls or skeins of a certain weight it is exceedingly difficult to give the correct length of the same. The manufacturer may, it is true, try in one or two samples, but can not possibly examine each ball or skein intended for shipment, although this would be necessary to make an exact declaration. (The weight is fixed, but not the yard, the latter depending upon the raw material and the weight of the color or of the finish.)

We would therefore ask, in order to allow us to meet the regulations of the American customs, that articles sold by weight and those sold by the yard should be classed differently and taxed according to the length or to the weight, as it may be.

We remain, gentlemen, very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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COTTON CLOTH.

[Paragraphs 310 and 313.]

THE ARKWRIGHT CLUB, BOSTON, MASS., RECOMMENDS NEW CLASSIFICATION FOR COTTON CLOTH, AND ASKS THAT THERE BE NO REDUCTION OF DUTY.

PROVIDENCE, R. I., *January 15, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: The undersigned, representing the committee on the cotton cloth schedule, in the proposed revision of the tariff, appointed by the Arkwright Club of Boston, which club represents in its membership about three-quarters of the cotton spindles of New England, respectfully requests that paragraphs 310 and 313 of the present tariff shall be revised to read as follows:

310. The term cotton cloth, or cloth, wherever used in the paragraphs of this schedule, unless otherwise specially provided, shall be held to include all woven fabrics of cotton in the piece, or cut in lengths, whether figured, fancy, or plain, the threads of which can be counted by unraveling or other practical means, and shall not include any article, finished or unfinished, made from cotton cloth.

The terms bleached, dyed, colored, stained, painted, printed, or mercerized, wherever used in the paragraphs of this schedule, shall be held to include all cotton cloth having bleached, dyed, colored, stained, painted, printed, or mercerized thread, threads, yarn, or yarns in any part of the fabric, and all fabrics which have, wholly or in part, prior, during, or subsequent to fabrication, been bleached, dyed, colored, stained, painted, printed, or mercerized.

The term thread or threads, as used in the paragraphs of this schedule with reference to cotton cloth, shall be held to include all filaments of cotton, whether known as threads or yarns or by any other name, whether in the warp or filling or otherwise. In determining the count of threads to the square inch in cotton cloth, all the threads, whether ordinary or other than ordinary, and whether clipped or unclipped, shall be counted, and each ply of two or more ply thread shall be counted as a thread. In the ascertainment of the particulars of measurement, weight, and value, upon which duties, cumulative or other, imposed upon cotton cloth are hereby made to depend, the entire fabric shall be included.

If the count of threads varies in different parts of the fabric, a full repeat of the pattern or design or varying weaves shall be counted, and the average count thereof shall be taken to be the count of threads to the square inch.

313. Cotton cloth in which other than the ordinary warp and filling threads have been introduced in the process of weaving to form a figure, whether known as lappets or otherwise, and whether unbleached, bleached, dyed, colored, stained, painted, printed, or mercerized, shall pay, in addition to the duty herein provided for other cotton cloth of the same description or condition, weight, count of threads to the square inch, and value, one cent per square yard if valued at not more than seven cents per square yard, and two cents per square yard if valued at more than seven cents per square yard.

Cotton cloth, mercerized, or subjected to any other similar process, shall pay one cent per square yard additional cumulative duty to that herein imposed upon such cotton cloth were the same not so mercerized or subjected to other similar process.

In regard to the additions to paragraph 310, they are designed to make clear some disputed points in the present act, and have been drawn after several consultations with people experienced in the details of the administration of the present act, so that we hope they are so worded as to effectually accomplish the object desired.

Especial importance is attached to the second paragraph defining color, etc. Several classes of cotton cloth have recently been brought into controversy in regard to their condition as to whether colored or not, and although in several of these cases to the eye nothing appears except color, it has recently been decided that for the purposes of the tariff they are unbleached cloth.

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The third paragraph brings into operation of the countable clauses certain classes of threads which have not heretofore been counted when present in cotton cloth, although they are a more important part of the cloth, so far as cost goes, than those that are counted, and it would seem as though there was no good reason why they should be excluded in determining the rate of duty to be assessed.

Paragraph 313 has been the subject of many legal attacks, the ground for some of which, particularly the color, has been covered in the additions to paragraph 310. The slight additional changes in the wording of the first paragraph as here presented are simply designed to meet legal questions which have been brought up in connection with it.

An additional paragraph is added requesting a duty of 1 cent per square yard upon mercerized cotton cloth. Mercerization is a process which, while known theoretically at the time of the passage of the Dingley Act, has come into practical operation since that date. It is quite an expensive process in itself, and in most cases requires more expensive material to be used in the cloth to which it is applied. The result of mercerizing is to very much increase the luster and beauty of the fabric and is a process that can be applied either to the yarn of which the goods are composed or to the goods themselves to be subsequently either bleached or dyed. We think, therefore, that mercerization is an essentially proper new condition to be covered by a special tariff, and that 1 cent per square yard is not an excessive duty.

The alterations in paragraphs 310 and 313 referred to above are substantially the same as contained in the recommendations of Mr. Marion Devries, of the Board of General Appraisers, so that the language and form have his approval.

We also call your attention to certain changes in other paragraphs, which seem to us advisable, namely:

Paragraph 304, the ad valorem proviso should be added, as it was the evident intention in the last act that the proviso of 305 should also apply to 304.

Paragraph 322. The inclusion of articles not specially provided for is important.

Paragraph 316. The amendment of this paragraph, as suggested in the brief filed by Philadelphia manufacturers, seems to us equitable and necessary in order to reestablish the manufacture of tapestries, etc., which has been seriously injured by recent decisions of the courts. We further respectfully request that the rates of the cotton-cloth schedule of the bill of 1897 shall not be reduced. As was explained to the committee in the public hearing on this question, the present rates of duty on cotton cloth are not prohibitive, and the importations have been increasing and not diminishing under them. Moreover, as then explained, they are less protective to-day than when the present tariff was put in force, and we believe that it is proved by the course of importations that many foreign fabrics are so near the importation line that any reduction in duties would certainly be followed by materially increased importations to the detriment of the American manufacturer.

Yours, very truly,

HENRY F. LIPPITT,
JAMES R. MACCOLL,
For the Arkwright Club.

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KNIT GOODS.

[Paragraphs 317, 318, and 319.]

THE ONEITA KNITTING MILLS, OF UTICA, N. Y., URGES THAT THERE BE NO REDUCTION OF DUTY ON KNIT GOODS.

UTICA, N. Y., *January 13, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The writer was to appear at your hearing, but owing to unforeseen circumstances was unable to leave home.

We wish to put before you our views. The writer represents directly the Oneita Knitting Mills, employing about 1,400 people, and by proxy the knit-goods industry of Utica and vicinity, employing at least 9,000 to 10,000 people, all earning good wages.

The goods manufactured in Utica mostly go to the working class and are almost exclusively manufactured in this country. If, however, the tariff should be changed in any way it would either open the door for foreign imports or our output would have to be considerably cheapened. As these goods are largely made from cotton which we own as cheap as foreign manufacturers, it could only come out of the wages of employees.

To illustrate our view we wish to state a case that came to our notice recently: A garment largely used in this country is a so-called "French balbriggan," which retails for 50 cents. This garment has to be sold by the American manufacturers to the jobbing trade at $3.50 to $3.625. A large American importer showed the writer within a year a garment which he claims costs him in France 11 francs, or $2.20. The duty on this class of merchandise, if correctly invoiced, is $1.10 per dozen and 15 per cent ad valorem, which would bring the purchase price to $3.63. You can draw your own conclusion from this.

Changing the tariff on knit goods simply means to reduce conditions of American working people to the European level, which I do not believe is desired by the majority of the American people.

Respectfully, yours,

ANDREW FREY.

THE NATIONAL WHOLESALE DRY GOODS ASSOCIATION OPPOSES ANY INCREASE OF DUTIES ON HOSIERY.

11 WEST NINETEENTH STREET,
New York City, February 5, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under date of January 28, 1909, the Hon. John W. Griggs, of the firm of Griggs, Baldwin & Pearce, our attorneys, wrote you asking for an opportunity to protest against the increase of duties on cotton hosiery in connection with the revision of the tariff schedules, and having been informed that a communication from us will be considered by your committee, we now desire to place before you our reasons for the position we have taken in connection with the revision of the tariff on the articles referred to.

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In a communication dated November 30, 1908, from the National Association of Hosiery and Underwear Manufacturers it is urged by that association that Schedule I, paragraph 318, of the tariff of 1897 be amended so as to effect an increase in the duty on cotton hosiery to the extent indicated by the following table:

Valued at (per dozen pairs)—	Duty under law of 1897.	Manufacturers' proposed schedules.
Not more than $1	$0.50+15 per cent ad valorem	$0.70+15 per cent ad valorem.
$1 to $1.50	$0.60+15 per cent ad valorem	$0.85+15 per cent ad valorem.
$1.50 to $2	$0.70+15 per cent ad valorem	$1+15 per cent ad valorem.
$2 to $3	$1.20+15 per cent ad valorem	$1.50+15 per cent to 35 per cent ad valorem.
$3 to $5	$2+15 per cent ad valorem	$2.50+15 per cent to 35 per cent ad valorem.
More than $5	55 per cent ad valorem	65 per cent to 85 per cent ad valorem.

In explanation of the foregoing table it should be said that the manufacturers' proposed schedule contemplates a minimum ad valorem rate of 15 per cent and a maximum of 35 per cent in addition to the specific duties on all grades up to $5 per dozen pairs, and a minimum rate of 65 per cent and a maximum rate of 85 per cent ad valorem on all cotton hosiery valued at more than $5 per dozen pairs.

It will be seen from the foregoing that a very material and considerable increase in the duties on cotton hosiery is contemplated by the manufacturers' schedules, and, in the judgment of this association, the proposed schedule, if adopted, would reduce the importation of cotton hosiery at least 80 per cent. This we consider to be a matter for serious consideration, because the volume of importations of cotton hosiery brings to the Government annually in revenue approximately the sum of $4,000,000. We therefore submit that the increase of these duties, resulting necessarily in a loss of revenue to the Government, should not be affected unless some forceful reason for so doing is presented to your committee.

In support of their petition for an increase in the duty on cotton hosiery the manufacturers have submitted for consideration tables of comparative costs on four qualities, alleging that they are the principal items of hosiery imported and represent a greater per cent of the total import than others, and are also the most popular articles of consumption. Before considering examples set forth in their petition in detail we desire to say that the imported articles are coarser than the American articles with which they are compared; that instead of 39-gauge lisle half hose, made of 60/2 lisle yarn, weight 1 pound, the importations are of goods made of 70/2 lisle yarn, and in connection with women's hose the grades are even coarser, and instead of 36 gauge and 39 gauge the great mass of importations, in fact, we might say almost the entire amount of corresponding grades, is 33-gauge women's cotton hose and 36-gauge women's lisle and mercerized lisle hose. While the various grades, therefore, are sharply in competition with each other, a discrimination should be exercised in describing the character of each in making a comparison of the cost of producing them.

We now come to a consideration of the statements of comparative cost of production in Chemnitz and in the United States, contained in the tables marked examples 1 to 4, in the manufacturers' letter. A proper comparison with the American-made articles should be made along the following lines:

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EXAMPLE 1.—*Comparative cost of 39-gauge lisle half hose, foreign, made of 70/2 lisle yarn, and American, made of 60/2 lisle yarn, weight 1 pound*

	Chemnitz.	United States.
Yarn, dyeing, boxes, etc	$0.52	$0.65
Wages	.33	.80
Mill expenses	.08	.20
	.93	1.65
Difference in cost		.72
Duty collected at present	.65	
Landing expense	.10	
	1.68	
Difference in favor of American manufacturer under present law		.03

German half hose are generally made from 70/2 lisle yarns, as 60/2 lisle yarns are too heavy to work to advantage on the hosiery machines.

EXAMPLE 2.—*Comparative cost of 33-gauge, foreign manufacture, and 36-gauge, American manufacture, women's cotton hose, made of 1/20 combed Egyptian yarn, weight 1 pound 14 ounces.*

	Chemnitz.	United States.
Yarn, dyeing, boxes, etc	$0.57	$0.77
Wages	.33	.76
Mill expenses	.08	.20
	.98	1.73
Difference in cost		.75
Duty collected at present	.65	
Landing expense	.10	
	1.73	

We quote German cost on 33-gauge ladies' cotton hosiery, as almost all the goods imported from Germany at above cost are made on 33-gauge frames and not on 36-gauge, as stated by American manufacturers' brief.

EXAMPLE 3.—*Comparative cost of 39-gauge women's lisle hose, made of 70/2 combed Egyptian lisle, weight 1 pound 6 ounces.*

	Chemnitz.	United States.
German export cost less 5 per cent, 7/90 M	$1.79	$2.18
Difference in cost		.39
Duty collected at present	.97	
Landing expense	.12	
	2.88	
Difference in favor of American manufacturer under present law, plus landing expense		.70

EXAMPLE 4.—*Comparative cost of 39-gauge women's mercerized combed Egyptian lisle, made of 70/2 combed Egyptian mercerized lisle, weight 1 pound 6 ounces.*

	Chemnitz.	United States.
German export cost less 5 per cent, 8/80 M	$2.00	$2.47
Difference in cost		.47
Duty collected at present	1.00	
Landing expense	.12	
	3.12	
Difference in favor of American manufacturer under present law, plus landing expense		.65

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EXAMPLE 5.—*Cost of 36-gauge, German made, women's lisle hose, made of 70/2 combed Egyptian lisle, weight 1 pound 6 ounces.*

	Chemnitz.
Yarn, dyeing, boxes, etc.	$0.77
Wages	.30
Mill expenses	.08
	1.25
Duty collected at present	.80
Landing expense	.12
	2.17

EXAMPLE 6.—*Cost of 36-gauge, German made, women's mercerized combed Egytian lisle, made of 70/2 combed Egyptian mercerized lisle, weight 1 pound 6 ounces.*

	Chemnitz.
Yarn, dyeing, boxes, etc.	$0.88
Wages	.44
Mill expenses	.08
	1.40
Duty collected at present	.83
Landing expense	.12
	2.35

The National Association of Hosiery Manufacturers includes examples 3 and 4 as qualities representing two of the principal items of hosiery imported. We wish to take exception to this statement. The principal qualities that are imported that compete with American-made 39-gauge women's lisle hose are women's lisle hose made on 36-gauge frames, and following we give the German manufacturers' cost on these goods. The reason the Americans do not make 36-gauge women's lisle hose is that there have been very few of this gauge machine imported into the United States, but the German manufacturers use 36-gauge machines quite extensively. On examples 3 and 4 we are only able to furnish the German export costs of these two qualities and not the detail of yarns, wages, etc. To all the German costs, detailed in examples 1, 2, 5, and 6, will have to be added the manufacturers' profit, as the export prices of these goods from Germany are as follows, to which we annex the net currency cost, landed at the port of New York, for your information:

	Landed cost.
Example 1: 4/40 M. less 5 per cent	$1.73
Example 2: 4/40 M. less 5 per cent	1.73
Example 3: 7/90 M. less 5 per cent	2.88
Example 4: 8/80 M. less 5 per cent	3.12
Example 5: 6/— M. less 5 per cent	2.32
Example 6: 6/60 M. less 5 per cent	2.51

It is stated in the manufacturers' letter that a large percentage of German hosiery exported to this country is called a product of "cottage industry" in the villages around Chemnitz. No figures are given to substantiate this claim, and from our own intimate knowledge of manufacturing conditions in this line in Germany we maintain that the "cottage industry" represents a very small percentage of the hosiery manufactured. "Cottage industry" is mostly employed in embroidering and seaming, and the vast amount, in fact principally all, of the

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ordinary cotton hose that reaches this country from Germany is made in the factories upon expensive machines. The claim that there are no restrictions as to the hours of labor and age of the workers is utterly at variance with the fact, because there is no country in the world where labor and school hours are controlled as completely as in Germany, and the hosiery industry is not excepted from the requirements of German law.

It is said in the course of the manufacturers' letter that the wages to-day paid operatives in cotton-hosiery mills are fully 25 per cent higher than eleven years ago, and that this increase has been the result of the increased cost of living during the past ten years. We admit that wages are higher, perhaps, to the extent of 25 per cent in American cotton-hosiery mills than they were eleven years ago, but we also represent as the fact that there has been a corresponding increase in the wages paid to operatives engaged in the same industry in Germany. The increase in the wages among American workmen was during the year 1907, when the American mills were so flooded with orders that it was impossible for them to produce the goods that they had sold; not only were the mills running full time, but overtime, and organized labor, as is always the fact when manufacturers are busy, demanded an increase in wages, which the American manufacturers were compelled to pay. The American industry is supplied with operatives from England and Germany, and when the increased cost of living in this country is excessively offset by an increase in wages, the foreign manufacturer is compelled to increase the wages of his operatives in order to retain them, the supply of operatives being limited and the number at work in the United States being small in comparison with the demand for skilled operators. It may also be added that wages had to be increased in Germany proportionately to the increase in the United States on account of the increased cost of living in Germany, which increased correspondingly with the cost in the United States during the past eleven years.

The remark is made in the course of the manufacturers' letter that—

last summer the German manufacturers forced a strike, and after a lockout of some four weeks the work people succumbed and accepted a reduction aggregating about 25 per cent of the wages they had been receiving, and the result is the German manufacturers are on a lower basis of cost than ever before, thus enabling them to sell goods in this country at prices in marks and pfennigs 33⅓ per cent cheaper than the lowest price quoted in the past for the same article.

This is not a statement of facts. The true circumstances are that last year, owing to the panic in the United States, which influenced and affected business throughout the world, the German market was bare of orders, and the manufacturers offered their work people the old wage schedule, which had been in force prior to 1907, telling them that they must then accept it or a cessation of manufacturing would be absolutely necessary, and a lockout occurred, the workmen eventually going back on the old wage schedule. . At the same time, with respect to the wages which the manufacturers were compelled to pay in the year 1907, we beg to inform the committee that the rate of wages in that year was heretofore unknown, and it is a well-known fact that, owing to the unprecedented wages paid during that period, the German workmen would not work a full week, but were satisfied with the wages they could make at three or four days' labor, as they were mak-

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ing more by working a portion of the week than they had prior to that time made by a full week's labor.

The next proposition taken up by the manufacturers is contained in the assertion that "there has always been more or less undervaluation, notwithstanding the best efforts of the local appraisers to prevent same, but to-day the German manufacturers, through a system of averaging their selling prices, have brought it to apparent perfection."

This claim we absolutely deny, and we defy the National Association of Hosiery and Underwear Manufacturers to prove the assertion. We have been visiting the foreign markets for many years and have never been approached by a manufacturer to invoice goods at one price and sell them at another and pay the difference in cash. This is an allegation of violation of the tariff law that is gratuitous and is impliedly made against a large number of very responsible houses engaged in the importation of cotton hosiery. The houses engaged in the importation of hosiery are such well-known and reputable firms as—

Lord & Taylor, New York.
Brown, Durrell Company, New York and Boston.
Fredk. Vietor & Achelis, New York.
Arnold, Constable Company, New York.
H. B. Claflin & Co., New York.
Henry Schiff & Co., New York.
Marshall Field & Co., Chicago.
Carson, Pirie, Scott & Co., Chicago.
Ely, Walker & Co., St. Louis.
Rice, Stix Company, St. Louis.
Levi Strauss & Co., San Francisco.

These concerns are not only reputable, but in their respective communities are regarded as merchants of highest character, and allegation of this description should not be made against any of them. There are also other houses equally reputable, any one of which could refute the assertions that their importations of cotton hosiery are undervalued. Besides the names of the hosiery importers stated above, the balance of importations are principally in the hands of the large retail firms, who buy their goods from the foreign manufacturer, and these are such concerns as—

Stern Brothers, New York.
John Wanamaker, New York and Philadelphia.
B. Altman & Co., New York.
R. H. Macy & Co., New York.
Abraham & Straus, Brooklyn.
James McCreery & Co., New York.
Strawbridge & Clothier, Philadelphia.

and others of similar size and like character of commercial reputation.

We would submit also that the allegation discussed is a criticism upon the appraisers in customs-houses. These men are not determined by the values fixed in the invoices, but their judgment on values is the result of long experience and careful information furnished by the American consuls and special Treasury agents, whose special business it is to detect such frauds as are charged in the manufacturers' letter.

The manufacturers' letter contains the further statement that the cotton-hosiery industry of the United States is in the hands of 500 separate and distinct manufacturers, and that the value of the annual product is $50,000,000, but no information is given as to how many of these manufacturers made full-fashioned hosiery, or what percentage of the total production such manufacturers produced. It is our understanding that 85 per cent or more of the hosiery manufactured in the United States is seamless hosiery, and all the seam-

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less goods consumed in the United States are made in the United States, as there is practically nothing imported in the way of seamless hose. The proposed amendment of the schedule is solely to increase the tariff on full-fashioned hosiery, so as to exclude foreign hosiery from America for the benefit of the few manufacturers of fashioned hose. The entire wool, worsted, and cashmere industry, the entire fleeced-hosiery industry, and the entire silk-hosiery industry are practically in the hands of the American manufacturers. The present schedule has prohibited the importations of these latter articles by the excessive duty now placed upon them. While there may be some of these various grades imported, they are so small as to be unworthy of notice. Practically the only article on which there is competition between the American manufacturer and the foreign manufacturer is full-fashioned hose in cotton and lisle. In the full-fashioned hosiery industry the manufacturers in this country have made great strides; their business must be profitable, because they are constantly increasing their plants.

The schedule proposed by the National Association of Hosiery Manufacturers will practically make the full-fashioned hosiery industry a trust, as at least 80 per cent of the production of full-fashioned hosiery in America is now controlled by one family of manufacturers of this grade of merchandise, who are represented by the same selling agents, the agents themselves being part owners in many of the mills.

It is worthy of note that while the National Association of Hosiery Manufacturers are asking for increased duties on cotton hosiery for the purpose of protecting the American industry, they are also seeking reduced duties on foreign yarns entering into the manufacture of hosiery. Many of the same names are signed to the petition asking for the increased duties on the one article and the reduced duties on the other. On their own product they desire increased protection, on the product of the yarn spinner, who also employs American labor and is engaged in an American industry, they ask a reduction in the duties. It is very evident, therefore, that what they are seeking is an increase of protection resulting in an increase of manufacturers' profit.

In conclusion, we submit the following schedule on cotton hosiery for incorporation in the proposed tariff law if it meets with the approval of the committee. It is the same in every respect, with the exception of the insertion of the words "and embroidered" following the words "and clocked" in Schedule I, paragraph 318, of the tariff law of 1897. This interpolation will also be found in the proposed schedule contained in the manufacturers' letter.

The purpose of the insertion of the words "and embroidered" is to correct the classification of embroidered hosiery, the duty on which is now, by interpretation of the Board of Appraisers, determined by the provisions of Schedule J, paragraph 339, of the tariff of 1897. By an interpretation of that section "wearing apparel or other article or textile fabric, when embroidered by hand or machine," has been held to include embroidered cotton and lisle hosiery, and these articles are made to pay a duty not less than 60 per cent ad valorem. Where the hosiery, as contained in Schedule I, paragraph 318, was originally intended to include embroidered cotton and lisle hosiery, and the omission of the word "embroidered" in the present schedule was evidently a clerical omission, the error resulting in the classification of embroidered cotton or lisle hosiery by the appraisers' decision

under the flax, hemp, and jute schedule, a classification which we do not believe was ever intended to prevail.

318. Stockings, hose and half hose, selvedged, fashioned, narrowed, or shaped wholly or in part by knitting machines or frames, or knit by hand, including such as are commercially known as seamless stockings, hose and half hose, and clocked and embroidered stockings, hose or half hose, all of the above composed of cotton or other vegetable fiber, finished or unfinished, valued at not more than one dollar per dozen pairs, fifty cents per dozen pairs; valued at more than one dollar per dozen pairs, and not more than one dollar and fifty cents per dozen pairs, sixty cents per dozen pairs; valued at more than one dollar and fifty cents per dozen pairs, and not more than two dollars per dozen pairs, seventy cents per dozen pairs; valued at more than two dollars per dozen pairs, and not more than three dollars per dozen pairs, one dollar and twenty cents per dozen pairs; valued at more than three dollars per dozen pairs, and not more than five dollars per dozen pairs, two dollars per dozen pairs; and in addition thereto, upon all the foregoing, fifteen per centum ad valorem; valued at more than five dollars per dozen pairs, fifty-five per centum ad valorem.

We respectfully request in connection with the communication sent to you, under date of January 28, 1909, that, if the committee find an opportunity for granting it, we be given a hearing for the purpose of discussing before your committee the matters which are touched upon in this statement. If the committee desires further information of any of the features entering into the determination of the amount of duty that should be imposed upon cotton hosiery, we are ready and anxious to furnish it.

Respectfully submitted.

THE NATIONAL WHOLESALE DRY GOODS ASSOCIATION.

KENNETH BARNHART,
MARSHALL FIELD & CO., *Chicago*,
HUGH MULLEN,
BROWN-DURRELL CO., *Boston and New York*,
S. M. BOND,
THE ROOT & MCBRIDE CO., *Cleveland*,
Tariff Committee.

All the members of our association, as follows, indorse the above protest against any advance in hoisery schedules:

The National Wholesale Dry Goods Association.

Officers: Geo. H. Partridge, president, Wyman, Partridge & Co., Minneapolis.; Murray Carleton, first vice-president, Carleton Dry Goods Co., St. Louis; John L. Clawson, second vice-president, Clawson & Wilson Co., Buffalo; Douglas Dallam, secretary-treasurer, New York.

Executive committee: Jas. B. Haines, jr., Jas. B. Haines & Sons, Pittsburg; R. W. Powell, John S. Brittain Dry Goods Co., St. Joseph; Calvin M. Smyth, Young, Smyth, Field Co., Philadelphia; F. C. Stoepel, Burnham, Stoepel & Co., Detroit; John A. Ordway, Blodgett, Ordway & Webber, Boston; Arthur L. Farwell, John V. Farwell Co., Chicago; Robert Geddes, Havens & Geddes Co., Indianapolis; Elias Michael, Rice, Stix Dry Goods Co., St. Louis; I. D. Marks, B. Lowenstein & Bros. D. G. Co., Memphis.

Members: Bittner, Hunsicker & Co., Allentown, Pa.; Dougherty, Ward, Little Co., A. M. Robinson Co., John Silvey & Co., Atlanta, Ga.; Frank Howard Mfg. Co., Atchison, Kans.; Treide & Sons, Baltimore, Md.; Adams Dry Goods Co., Bangor, Me.; Blodgett, Ordway & Webber, Boston Dry Goods Co., Brown, Durrell Co., Farley, Harvey & Co., Walker Stetson Co., Boston, Mass.; Adam, Meldrum & Anderson Co., Clawson & Wilson Co., Buffalo, N. Y.; Pringle Brothers, Charleston, S. C.; Carson, Pirie, Scott & Co., John V. Farwell Co., Marshall Field & Co., Chicago, Ill.; The John Shillito Co., Alms & Doepke Co., Louis Stix & Company, The John H. Hibben D. G. Co., Reins & Meiss, Meyer, Wise & Kaichen Co., Cincinnati, Ohio; The Root & McBride Co., Cleveland, Ohio; The Green, Joyce Co., The Jones, Witter & Co., The Sheldon Dry Goods Co., Columbus, Ohio; Sanger Bros., Harris, Lipsitz Co., Dallas, Tex.; Burnham, Stoepel & Co., Crowley Brothers, Edson, Moore & Co., Detroit, Mich.; Rider,

Wallis Co., Dubuque, Iowa; F. A. Patrick & Co., Duluth, Minn.; The Monnig Dry Goods Co., Fort Worth, Tex.; Havens & Geddes Co., Hibben, Hollweg & Co., Indianapolis, Ind.; The Covington Company, Jacksonville, Fla.; Burnham, Hanna, Munger D. G. Co., Maxwell-McClure-Fitts D. G. Co., Smith, McCord, Townsend D. G. Co., Swofford Bros. D. G. Co., Kansas City, Mo.; Deaver-Kennedy Company, Cowan, McClung & Co., Knoxville, Tenn.; Cooper, Coate & Casey D. G. Co., Los Angeles, Cal.; Carter Dry Goods Co., J. M. Robinson, Norton & Co., Sterling Furnishing Goods Co., Louisville, Ky.; R. S. Oglesby Company, Inc., J. W. Ould Company, Watts Bros. Co., Lynchburg, Va.; B. Lowenstein & Bros. D. G. Co., The Wm. R. Moore Dry Goods Co., Memphis, Tenn.; Goll & Frank Co., The H. Stern, jr. & Bro. Co., Milwaukee, Wis.; Steiner & Lobman, Montgomery, Ala.; Wyman, Partridge & Co., Minneapolis, Minn.; J. S. Reeves & Co., Nashville, Tenn.; Brown, Durrell Co., New York City; Byrne & Hammer D. G. Co., M. E. Smith & Co., Omaha, Nebr.; Petersburg Dry Goods Co., Petersburg, Va.; Doughten-Wilkins D. G. Co., John H. Long & Co., Strawbridge & Clothier, Sullivan & Co., Young, Smyth, Field Co., Watson & Company, Philadelphia, Pa.; Arbuthnot-Stephenson Co., James B. Haines & Sons, Pittsburg D. G. Co., Pittsburg, Pa.; The Clark-Eddy Company, Portland, Me.; Callender, McAuslan & Troup Co., Providence, R. I.; M. Cohen Son & Co., Drewry, Hughes Company, Richmond, Va.; Adam H. Bartel Company, Richmond, Ind.; John S. Brittain D. G. Co., The Hundley D. G. Co., Richardson D. G. Co., Wheeler & Motter Merc. Co., Tootle-Campbell D. G. Co., St. Joseph, Mo.; Carleton D. G. Co., Ely & Walker D. G. Co., Ferguson-McKinney D. G. Co., Hargadine-McKittrick D. G. Co., Rice-Stix D. G. Co., St. Louis, Mo.; Finch, Van Slyck & McConville, St. Paul, Minn.; Keet & Rountree D. G. Co., Springfield, Mo.; L. Dinkelspiel Co., Moore-Watson D. G. Co., Levi Strauss & Co., San Francisco, Cal.; L. S. Baumgardner & Co., Toledo, Ohio.; Murray, Griffith & Messler, Trenton, N. J.; Johnston & Larimer D. G. Co., Wichita, Kans.; The Youngstown D. G. Co., Youngstown, Ohio.

Tariff committee representing the wholesalers and importers of domestic and foreign hosiery in the city of New York:

Geo. E. Beers, Lord & Taylor, John O'Connell, with Arnold, Constable & Co.; Henry Schiff, firm of Henry Schiff & Co.; John W. Doscher, with Fred Vietor & Achelis.

At a meeting held at the Waldorf-Astoria, January 26, 1909, of the leading wholesalers and importers of domestic and foreign hosiery, it was resolved to protest against any advance in the tariff schedules on imported hosiery, and a tariff committee, as above, was appointed with full authority to represent New York interests in presenting this protest before the Ways and Means Committee. The following important wholesale firms were represented at this meeting:

Lord & Taylor, New York City; Brown, Durrell Company, New York City; Henry Schiff & Co., New York City; Arnold, Constable & Co., New York City; Fredk. Vietor & Achelis, New York City; Wesendonck, Lorenz & Co., New York City; Rubens & Meyer, New York City; H. B. Claflin & Co., New York City; Teft-Weller Company, New York City; Jas. H. Dunham & Co., New York City; Chas. Simons & Sons, New York City; Goodman Brothers, New York City; Gutman Brothers, New York City; Talbott & Poggi, New York City; Verdier & Hardy, New York City.

WILLIAM L. WARING, REPRESENTING NATIONAL ASSOCIATION OF HOSIERY AND UNDERWEAR MAKERS, FILES SUPPLEMENTAL BRIEF RELATIVE TO FOREIGN COSTS.

NEW YORK CITY, N. Y., *March 3, 1909.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

SIR: The National Association of Hosiery and Underwear Manufacturers respectfully beg to add the following additional facts and

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figures to their brief on hosiery, dated Philadelphia, Pa., November 30, 1908, and published in the Tariff Hearings, in contradiction to the statements made in a brief filed by the tariff committee of the National Wholesale Dry Goods Association, dated New York, February 5, 1909.

The examples of comparative costs, I to VI, inclusive, submitted by the National Wholesale Dry Goods Association are not only absolutely absurd but show a total lack of knowledge of manufacturing hosiery, a comparison in some instances having been made of two totally different qualities, costs, and makes. They have also in several other instances taken the selling price, including profit, of the foreign manufacturer as the cost of manufacturing abroad, placing same in flat comparison with the sworn-to American costs, whereas the National Association of Hosiery and Underwear Manufacturers have made an absolutely even comparison of cost of production of the same identical article made in Germany and in this country—the only proper and just method to employ in order to arrive at a proper conclusion for the adjustment of tariff rates.

The foreign costs submitted by us in our brief referred to were obtained from fourteen prominent Chemnitz hosiery manufacturers and can easily be verified by your committee by reference to the latest consular reports, while the American costs were given by a large number of equally prominent American manufacturers in the form of affidavits.

In our brief we stated that, taking the American wages at 100 per cent, the foreign wages were somewhat less than 30 per cent. We find by the latest official reports that the difference in wages is even greater than stated above; that wages paid in Chemnitz to-day are less than 25 per cent of the wages paid in America for the same grade of work. (See latest consular reports.)

We take issue with the National Wholesale Dry Goods Association's statement that very few goods the result of the "cottage industry" are imported into this country. We find that same represents a large percentage of the exports to this country, Chemnitz manufacturers selling such merchandise as the product of their own mills. For the cottage industry, the importance thereof, effect on wages of mill operatives, hours of labor of aged, children under 14 years, and free hours of housewife, we would respectfully refer committee to latest official reports.

We find upon investigation the following are the official figures of the average yearly wage (which the committee can easily verify) of expert hosiery knitters and expert women in the hosiery mills of Chemnitz:

Year.	Men.	Women.
1897	$240	$124
1907	295	165

In 1908 the wages were reduced to the 1897 level and which wages are prevailing now.

We also find that, taking the American production of cotton hosiery at 100 per cent, the importation of cotton hosiery duties paid in 1907 was 22 per cent; that in 1906 and 1907 the importations

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increased at the rate of over $1,000,000 per annum—a self-evident conclusion that the rates as provided for in the tariff of 1897 do not measure the differential in cost of manufacturing abroad and in this country.

We also find that the importation of cotton hosiery under Schedule I, paragraph 318, was fully 10 per cent in 1907 of the total imports of manufactured cotton goods.

The National Association of Hosiery and Underwear Manufacturers do not question the honor or integrity of any importer, but the facts are, that either the examples of comparative costs as submitted are incorrect and erroneous, as we know and believe them to be, or else the proper rate of duty has not been paid on an enormous amount of foreign hosiery which is being freely offered for sale in the open market at prices materially less than the foreign costs submitted.

Respectfully submitted.

WILLIAM L. WARING,
Chairman for Tariff Committee National Association of Hosiery and Underwear Manufacturers.

I, William L. Waring, of New York, N. Y., as chairman, and for the tariff committee of the National Association of Hosiery and Underwear Manufacturers, do solemnly swear and affirm that, to the best of the committee's knowledge and belief, the foregoing facts are true as set forth.

WILLIAM L. WARING.

Sworn and subscribed before me the 3d day of March, A. D. 1909.

[SEAL.] JOS. A. COXE,
Notary Public.

(Commission expires March 6, 1909.)

ELASTIC TISSUES.

[Paragraphs 320 and 389.]

BRIEF SUBMITTED BY FRENCH CHAMBER OF COMMERCE OF NEW YORK, ON BEHALF OF IMPORTERS OF FRENCH INDIA RUBBER, GUTTA-PERCHA, AND ELASTIC TISSUES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Considering that the actual duties on the following articles are prohibitive, 45 per cent ad valorem on cotton suspenders, 45 per cent on cotton and elastic tissues, 50 per cent on silk braces, 50 per cent on elastic silk tissues, we request your honorable body to reduce these duties to:

Thirty-five per cent ad valorem on cotton suspenders and tissues of elastic cotton; 40 per cent ad valorem on silk suspenders and tissues of elastic silk.

We trust that you will give this matter the consideration that it deserves, and remain, gentlemen,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE, OF NEW YORK,
HENRY E. GOURD, *President.*

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MATERIAL FOR INSOLES.

[Paragraph 322.]

AMERICAN MANUFACTURERS OF CORK INSOLES WISH LEGISLATION THAT WILL REDUCE THE DUTY ON THEIR RAW MATERIALS CLASSED AS COTTON MANUFACTURES.

WASHINGTON, D. C., *January 17, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As manufacturers of cork insoles, used in the manufacture of boots and shoes and as loose insoles, we have found it necessary to use to a considerable extent an imported article, composed of ground cork and linseed oil applied to cotton muslin for backing.

A competitive article is made by American manufacturers of the same guage and thickness at a price considerably less than the article herewith represented.

This article at first was brought in under Schedule N, paragraph 448, of the tariff act of July 24, 1897, as a manufacture of cork or of which cork was the component material of chief value, at 25 per cent ad valorem. Subsequently, it was raised by the Government as to classification by being placed under Schedule 1, paragraph 322, as a manufacture of cotton not specially provided for at 45 per cent ad valorem.

Protests as to this latter classification have not been settled by the National Board of Appraisers at last accounts.

This latter duty is absolutely prohibitive, and we therefore would request that you give this article proper classification that no misunderstanding as to duties can hereafter arise.

Even under its first classification, viz, as an article of which cork was the component material of chief value, its price was so far in excess of the American manufactured article that it has rendered it a tremendous handicap to its usage.

As manufacturers of insoles from fabrics of this nature, with a demand for a quick supply, we respectfully submit this said article for your careful consideration for classification.

We decidedly object to the contents of the brief submitted by the Armstrong Cork Company, dated at Pittsburg on November 23, 1908, in which they suggest a duty of 5 cents per pound on cork bark, wholly or partially manufactured, for life preservers, for cork insoles, etc. Taking the weight of this article into consideration—which is about 1¾ pounds to the square yard—it would simply mean a prohibitive duty and eliminate foreign competition absolutely to the benefit of the cork trust and consequent handicap to ourselves as American manufacturers of cork insoles.

We would suggest that an ad valorem duty of 12½ or 15 per cent be placed on this article, which will permit of a sufficient protection to the American manufacturers and not be a prohibitive duty on the foreign goods.

Respectfully submitted.

WILLIAM M. GARFIELD.
BECKWITH BOX TOE CO.,
H. H. BECKWITH, *President.*
GEO. G. LONDON MANUFACTURING CO.
IRVING T. AUSTIN, *President.*
WM. H. WILEY & SON CO.,
J. A. WILEY, *President.*

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SCHEDULE J—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.

OILCLOTH AND LINOLEUM.

[Paragraph 337.]

THE NATIONAL WHOLESALE DRY GOODS ASSOCIATION, NEW YORK CITY, THINKS THE DUTIES ON OILCLOTHS AND LINOLEUM SHOULD BE REDUCED.

346 BROADWAY,
New York, February 25, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We beg to refer to the recommendations made to your committee by the oilcloth and linoleum manufacturers for increased duties.

The manufacturers have asked, first, that the duty now assessed on linoleum over 12 feet in width—namely, 20 cents per square yard and 20 per cent—be applied upon all linoleum over 7 feet in width.

Linoleum is made in the following widths: 6 feet, 7 feet 6 inches, 9 feet, and 12 feet, the wider widths being used to fit rooms with the least possible cutting.

All linoleum is sold by the square yard.

The manufacturing cost per square yard is little or no greater on the wide goods than on the narrow. The assessment of higher duties on goods over 7 feet is therefore indefensible.

In the second place, the manufacturers have asked that granite and oak-plank linoleums, which are now dutiable at 8 cents per square yard and 15 per cent, be placed in the same class as inlaid linoleum, which is dutiable at 20 cents per square yard and 20 per cent.

These goods, the granite and oak plank, are made by a very simple process, the cost to produce being far less than in the case of the inlaid linoleum, and the assessment of these goods at the same rate as inlaid linoleum is manifestly unjust.

Quoting from the Government Statistical Record of Imports for the year ending June 30, 1907:

The average cost of all linoleums, other than inlaid, was 21.4 cents per square yard. This includes both of the classes mentioned above, namely, those under 12 feet in width and those known as "granite" and "oak plank" linoleums.

The duty proposed upon these goods of 20 cents per square yard and 20 per cent equals 24.28 cents, or an equivalent of 113 per cent ad valorem.

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The duty at present assessed upon these goods of 8 cents per square yard and 15 per cent equals, according to the government statistics, an ad valorem equivalent of 52.32 per cent, which we submit is amply high.

Linoleums, particularly those of the grades mentioned, are used by the poorer classes, and the proposed duty would mean the doubling of the tax on the poor for the benefit of a few manufacturers already too highly protected.

The duty at present assessed upon inlaid linoleum of 20 cents per square yard and 20 per cent equals an ad valorem equivalent of 56.64 per cent, and, as stated above, all other linoleums under 12 feet in width are at present dutiable at 8 cents per square yard and 15 per cent, or an ad valorem equivalent of 52.32 per cent.

The present schedule, being thus evenly applied on high and low cost goods, should not, we contend, be changed in its form, but as it affords such high protection should be reduced in amount.

Very respectfully,

THE NATIONAL WHOLESALE DRY GOODS ASSOCIATION.
By KENNETH BARNHART, *Chairman Tariff Committee.*

BOBBINETS.

[Paragraph 339.]

THE AMERICAN MAKERS OF NETS AND NETTINGS SUGGEST A SPECIAL CLASSIFICATION FOR THEIR PRODUCTS.

NEW YORK, *February 9, 1909.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: The undersigned American manufacturers of bobbinets respectfully ask that the following special paragraph be enacted in the tariff law to cover bobbinets, nets, and nettings:

Bobbinets, net, or nettings, other than lace curtain nets, made on the Nottingham lace curtain machine, or Nottingham warp machine, composed of cotton or other vegetable fiber, shall pay a duty of one-third of one cent per square yard for each hole or part of a hole within the area of a square inch, counted perpendicularly on the warp and diagonally on the bobbin lines, counting the corner hole twice; and shall pay in addition to the foregoing, when made of single yarns up to and including number fifteen, three cents per pound. When made of single yarns, exceeding number fifteen and up to and including number thirty, one-fifth of one cent per number per pound. When made of single yarns, exceeding number thirty, one-quarter of one cent per number per pound. When made of yarns combed or advanced beyond the condition of singles, by grouping or twisting two or more single yarns together, on all numbers up to and including number twenty, six cents per pound. When made of yarns combed or advanced beyond the condition of singles, exceeding number twenty and up to number eighty, one-quarter of one cent per number per pound. When made of yarns combed or advanced beyond the condition of singles, including number eighty and above, three-tenths of one cent per number per pound. When such bobbinets, net, and netting are composed of more than one count of yarn it shall pay duty according to the highest count.

All articles composed wholly or in part of bobbinet shall pay the duty provided by their respective paragraphs and in addition thereto the duty imposed on bobbinet.

From a thorough study of the cost of manufacture in Europe as compared to the cost to manufacture in this country the above

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method of applying the duty will about equalize the difference in the American and foreign cost.

You will notice that the duty asked is entirely specific, and it does away with the fluctuating ad valorem rate, which is a very important matter, and thereby precluding any possibility of undervaluation.

The bobbinet industry in this country is very small, whereas the consumption is very large, and if it is the desire of the Government to enable us to develop such an industry we must be protected, not only against the underpaid labor of Europe, but against the importer who imports under value.

There is no better opportunity afforded at this time to provide a revenue for the Government than the imposing of a proper import tax on bobbinet.

The amount produced in this country is trivial as compared with the amount imported. We therefore respectfully ask your favorable consideration for our appeal.

Respectfully submitted.

BROMLEY MFG. CO.,
Philadelphia, Pa.
THE LACKEY MFG. CO.,
Newburgh, N. Y.
THE AMERICAN TEXTILE CO.,
W. H. SMITH,
Pawtucket, R. I.

BRAIDS.

[Paragraphs 339 and 390.]

AMERICAN MANUFACTURERS OF HATS AND IMPORTERS OF STRAW AND FANCY BRAIDS OBJECT TO INCREASE OF DUTY ON SILK OR COTTON HAT BRAIDS.

12 BROADWAY,
New York City, January 17, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the manufacturers of hats and importers of straw and fancy braids for the manufacture of hats, respectfully ask for a moderate rate of duty upon hat braids composed of silk, artificial silk, artificial horsehair, or cotton. We submit that the present rate of 60 per cent is already prohibitive as to many varieties, and any increase whatever would be wholly disastrous. We ask for a rate which will be revenue-producing, which will afford adequate protection to domestic interests, and which will at the same time greatly aid the American manufacturers of hats in developing their industry. We desire in this connection to reply briefly to some of the representations made on behalf of the braid manufacturers of the United States to this committee at the tariff hearings Saturday, November 28, 1908.

Paragraph 9 of their brief states that the duty on braids made of artificial horsehair is 20 per cent, whereas it is actually 60 per cent, and has been so since it was first introduced.

Paragraph 10 states that the labor and expense of braid made in the United States is approximately 60 per cent of cost. We submit that

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this is incorrect and grossly misleading, for while it might be so in respect to handmade braids, such braids for the manufacture of hats made of silk, cotton, artificial hair, etc., have been almost entirely superseded, even in Europe, by the machine-made patterns, while in this country handmade braids for the purpose before mentioned have been made only in the most infinitesmal quantities. We might mention that the machinery in the United States used for this purpose is superior in many instances to the European; so much so that makers of the American machines for the manufacture of these braids sell their machines in Europe.

Referring to the extravagant statement that 60 per cent is the approximate cost of the labor of braids made in the United States, we submit herewith:

Exhibit A, made of silk, produced by two machines; the method being first to produce the lames or strips, which are wound on spools and then put on a machine, which machine costs approximately $70. This machine produces 1¼ gross per day of ten hours of the finished article, and a girl is employed at the wages of from $6 to $8 per week to watch eight to ten of these machines. The selling price of this pattern is $6 per gross yards and the cost of labor per gross is less than 75 cents.

Careful investigation points to the fact that the cost of producing braids by machinery in the United States is from 10 to 20 per cent, according to the quantity made and the speed of production, the latter figure (20 per cent) being only for extremely fantastic patterns, of slow production and varied materials, which are sold in small quantities only, while 10 per cent would cover the usual run of designs.

To show that the domestic manufacturers are, under existing conditions overprotected and the consumers overtaxed, and, moreover, that braids made of silk, artificial horsehair, etc., under the existing tariff of 60 per cent are prohibited from importation, we submit:

Exhibit B, made of silk and artificial horsehair. The cost price in Switzerland is 3.15 francs; plus duty and freight charges, the cost to land is $1.05 net per piece of 12 yards.

Exhibit B is the same pattern, made by a manufacturer in New York State (name can be supplied if desired) and sold for 76 cents net per piece of 12 yards; and in respect to this exhibit we might add that a New York importer took an order for this pattern, and, instead of sending the same to Switzerland, had the braid made in the United States.

Exhibit C, Swiss, costs in Switzerland 31½ francs per gross, plus 60 per cent duty and freight—$9.75 net, landed.

Exhibit C, domestic, is the same pattern made in the United States and can be bought at $5.50 net per gross. It is therefore clear that machine-made braids of silk and mixtures of silk, owing to improved methods, can be made cheaper in this country than in Europe, and consequently no protection to the domestic manufacturers is necessary, while in fact such braids, under the existing tariff of 60 per cent, are actually prohibited; but if the duty was reduced 20 per cent novelties in this style of braid might probably be imported.

Examples could be multiplied ad infinitum, but we consider the foregoing sufficient to illustrate our point. We might repeat that the

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statement in paragraph 12 in the brief above mentioned, that the duty of 96 per cent on braids made of silk, cotton, artificial hair, etc., would not be prohibitive, is absolutely absurd, for such braids are already prohibited by the 60 per cent duty.

As has already been pointed out to your honorable committee, the chief ingredient entering into artificial silk and artificial horsehair braids is raw cotton or cotton waste, which is likewise used, of course, in the manufacture of cotton braids. Raw cotton and cotton waste are on the free list. So, likewise, is Tussah silk, which is employed in manufacturing silk hat braids. It is not employed for making dress goods, because it is too brittle and rough. With the raw materials on the free list a compensating duty of 20 per cent would be sufficiently ample to cover the difference in the cost of production. We direct attention in this connection to the fact that the policy of Congress was, up to the passage of the present act, to provide either for free entry of the raw materials used in the manufacture of hats or to impose a low rate of duty upon such materials. We submit that the present provision for braids of silk, cotton, and vegetable fiber is much too broad, and that a return should be made to the earlier policy of imposing a minimum duty consistent with revenue and protection upon braids entering into the manufacture of hats. Paragraph 448 of the act of 1883 provided for a duty of 20 per cent ad valorem upon hat braids and hat materials generally composed of any substance or material.

We would suggest, therefore, a provision analogous to that found in paragraph 409 of the present act, which provides for braids of straw, chip, grass, and the like, which shall read as follows:

Braids composed of Tussah silk, artificial silk, artificial horsehair, suitable for making and ornamenting hats, bonnets, and hoods only, twenty per cent ad valorem.

Respectfully,

Dearbergh Bros., Wm. Knowlton & Sons, J. S. Plummer & Co., John Zimmerman Co., Searle, Dailey & Co., Isler Gage, William Carroll & Co., C. O. Mey & Co., The Corney & Johnson Co., Oliver Co., A. Engel, Carroll Hixon Jones Co., Max Mindheim, Gotthold & Co., Rosenthal-Sloan Mill Co., Hart & Kirtland, Hirsh & Guinzburg, Crown Hat Manfg. Co., John Donat & Co., Alland Bros. & Co., J. H. Lichtenstein & Co., Zadek Brothers, Maurice Cohen.

DOILIES AND CENTERPIECES.

[Paragraph 339.]

THE PARKES MACHINE CO., BROOKLYN, N. Y., SUGGESTS NEW CLASSIFICATION FOR DOILIES AND CENTERPIECES.

286–290 TAAFFE PLACE,
Brooklyn, N. Y., February 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under date of December 4, 1908, we filed a statement in connection with the proposed new tariff law. On more mature consideration of this matter our views have changed somewhat.

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We are engaged in starting a new industry in the United States, namely, the manufacturing of household articles, such as are mentioned in the following paragraph, which we suggest be inserted in Schedule J of said proposed new tariff:

Doilies, centerpieces, table, luncheon, and tray cloths, table mats, napkins, towels, bedspreads, sheets, pillowcases, pillow shams, bureau scarfs, chiffonier and sideboard covers, sofa pillows, furniture covers, tidies, or fancy household articles of any description, the basis of which is a fabric, or any material that may be operated upon with a needle and thread, any of these or similar articles, whether partly or wholly finished, which have been scalloped or embroidered in any manner or to any extent, on the interior or along the edge by hand or machinery, in pursuance of a design or otherwise, or any of these or similar articles from which threads have been drawn to produce drawn work, or which have been cut or punched to produce open work, or to which have been secured in any manner lace or trimming, or in which inserts of lace netting or other material have been made, or to which any material has been appliqued, shall pay a duty at a rate, ad valorem, which shall be twenty-five per centum in excess of the rate, ad valorem, charged against the basic fabric or material of these articles: *Provided*, That in no case shall any of these or similar articles pay a less rate of duty than sixty per centum ad valorem.

Embroidered goods may be divided into two classes, namely, those made for personal use, such as wearing apparel, handkerchiefs, etc., and those made for household use, such as are mentioned in the above paragraph. Paragraph 339 is intended to cover both classes of these embroidered goods or articles, but it does not do it, and we do not believe it can be made to do it without very materially increasing its length, and it is certainly long enough now, and we therefore believe a separate paragraph should be inserted, as suggested above.

We understand that it has been suggested by others to your honorable board, that by inserting the word "scalloped" in paragraph 339, it will make it properly cover the goods we manufacture, but we beg to say that this is not correct. As illustrative of this, we note that in the case of The United States *v.* Charles B. Waentig, decision February 9, 1909, by Judge Holt, of the United States circuit court, southern district of New York, the articles in question were embroidered scalloped doilies and towels. In the trade this term in many instances is abbreviated, and these articles are simply called scalloped doilies or scalloped towels, etc., as the case may be. This enabled the importers to get a large number of witnesses to testify that these articles were known in the trade in 1897 and previous to that time simply as scalloped articles, and not as embroidered articles. And notwithstanding the plain fact that the work on the edge of the goods in question is embroidery, the case, as stated, has been decided against the Government.

In deciding this case, the judge looked up dictionaries and encyclopedia definitions, which he quoted, and then from these he reached the conclusion that to be embroidery the work had to be ornamental, and then he decided in substance that in his opinion it is not sufficiently ornamental to become embroidery, and is therefore not embroidery.

By inserting the word "scalloped" this sort of thing can not be avoided. The importers will go to the same authorities, and there they will find that a scallop is "a segment of a circle;" so to get around this it will only be necessary to make a design on the edge of the work that is not a segment of a circle, and then it will not be a scalloped article.

It should be noted in connection with this question that the regular manufacturers of embroideries do not make these household articles

in question; they make the embroideries that belong to the first class of merchandise before mentioned, namely, those made for personal use, such as wearing apparel, handkerchiefs, trimmings, etc. And not being manufacturers of these household articles, they are liable to think just a word or two is enough to cover them; but this will not answer the purpose. Better use enough words, a little more space and ink, and cover these goods in such a way that the importers can not find a hole to crawl through.

These are the kind of goods that should produce revenue for the Government; they are luxuries, and the use of them is increasing rapidly, because machinery has recently been invented that makes them at a very much less cost than they can possibly be made by hand. We have machines for doing the work, and our foreign competitors have machines for doing it; but our competitors have such a great advantage with respect to cost of labor that unless we can get at least as much protecton as is given to other kinds of embroidery work we can not compete successfully.

A very insignificant part of these embroidered household articles are manufactured in the United States, and we believe a very insignificant revenue is derived by the Government from this source compared with what it should get. And we believe that if a separate paragraph is inserted and so worded that it will catch all of these household articles, that it will become a large revenue producer for the Government; and, at the same time, if the duty assessed is at the rate suggested, in the suggested paragraph herein, it will enable the manufacturers in the United States to make enough profit to manufacture these goods; and by creating this home competition, the consumer will in reality get the goods as cheap, at least, as they will get them if the duty is put at such a low rate that the home manufacturers can not afford to make them.

In connection with the rate of duty we propose, it is noted linen is our raw material, none of which is manufactured in the United States; therefore, we have to import our raw material. And this linen pays a duty of from 35 to 60 per cent ad valorem. If the articles are assessed at 60 per cent, as are embroideries or other embroidered articles, we do not get proper protection at all when we use linen that pays a duty, for example, of from 50 to 60 per cent, as we frequently do. The linen manufacturers from whom we have to import our linen are the manufacturers of these household articles; consequently it will be readily understood that they have a natural advantage in this respect.

In conclusion, we beg to say we think it is but fair that we should get the protection of a rate of duty "25 per cent in excess of the rate, ad valorem, charged against the basic fabric or material of which these articles are made." And we are strongly of the opinion that a separate paragraph should be inserted, as we have suggested, and that if it is inserted it will be a good revenue producer.

Respectfully submitted.

THE PARKES MACHINE COMPANY.

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EMBROIDERY.

THE PARKES MACHINE COMPANY, BROOKLYN, N. Y., SUGGESTS A DEFINITION FOR THE WORD "EMBROIDERY," TO BE INSERTED IN NEW LAW.

286-290 TAAFFE PLACE,
Brooklyn, N. Y., March 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We suggest that the following definition be inserted in the proposed new tariff law:

The term "embroidery," used in this act, shall be held to mean any kind of stitches disposed in material, fabric, or articles, partly or wholly for the purpose of embelishment or ornamentation, or any kind of stitches used in finishing or binding the edge of a fabric, or an article, in scalloped or other fancy form.

In connection with the question of the reason for this definition it is noted that there are two distinct classes of embroidered materials or articles, namely, those for personal use, such as wearing apparel, handkerchiefs, trimmings, etc., and those for household use, such as doilies, centerpieces, tablecloths, bedspreads, pillow shams, etc. The first class was manufactured in the United States by machinery, long previous to the last tariff act, July, 1897, and the same class of goods, also manufactured by machinery, were imported in large quantities into the United States at that time, and are at present being imported in large quantities. Because of this, what these machine-embroidered goods were known as commercially in 1897, and previous to that time, was well understood and has been established.

But not so in connection with the second class of embroidered merchandise. These embroidered household articles were being embroidered by hand at that time, done by peasants in various foreign countries, and imported into the United States. The embroidery on this second class of goods is, for obvious reasons, generally made along the edge of the articles, and is in a scalloped or fancy design.

Some time after the 1897 tariff act became a law, the importation of said second class of goods embroidered by machinery commenced. This machine work, like hand work, was in scolloped form or design. The work, however, at first was crude, which made it look different from the hand work. This difference in appearance gave the importers a peg on which to hang a protest, and the result was the case in the United States circuit court, southern district of New York; United States, petitioner, against Charles R. Waentig, defendant, which on February 9, 1909, was decided by Judge Holt against the Government.

In making his decision the judge said, after quoting dictionary and encyclopædia definitions, "I think the true test in this case is whether the needlework on the edge of the towels and doilies in question is ornamental. My conclusion is that it is not." The judge said further in his decision that he did not "think that the kind of needlework which is shown on the towels and doilies in this case differs in any essential particular from any ordinary needlework."

Here it is seen the importers have succeeded in getting a wedge in paragraph 339 of the tariff act. The judge in substance decides what

is and what is not embroidery on dictionary definitions taken in connection with his private opinion as to what is and what is not ornamental. Obviously, no two persons may agree as to what is and what is not ornamental, and the question of a tariff being assessed on these fancy articles, these luxuries, should not rest on any such basis.

Another point to be noted in this connection is that the judge seemed to think that the question of whether or not the needlework is ordinary is a determining factor. Now, as a matter of fact, the needlework in the great bulk of embroidery is very ordinary, the stitches are very ordinary, but the depositing of these stitches in great numbers along a straight path, or in scollops or festoons, or in some fancy or ornamental design embellishes the material or article, and is embroidery. But whether or not these stitches do actually embellish the merchandise or not should not be left to the fancy or taste of the judge.

Another point developed in connection with this case referred to, that also has a very material bearing on the question of defining, in the proposed new tariff, what is embroidery. The articles in question were doilies and towels embroidered along their edge as before stated, and the doily was decorated on its interior by what is known as hemstitching, or spoke stitching. In addition to these a doily was introduced in evidence as an exhibit, the edge of which was very elaborately embroidered.

Practically all of the importers that testified against the Government claimed and testified that the work on the edge of these articles was put there for the purpose of binding or finishing the edge, and that it was not embroidery. They took the position that needlework, to be embroidery, had to be on the interior of an article. This, of course, is absurd to anyone who knows anything about embroidery, but it evidently did not appear absurd to the judge. All edge embroidery performs the double function of binding or protecting the edge of the material or article and embellishing it.

As to the hem or spoke stitching that was on the interior of the doily for ornamental purposes the counsel for the Government took the position that as this was hemstitching it was not embroidery, and that even if it was embroidery, the case had better not be complicated by raising a question about it, and so this part of the embellishment of the article in question was not considered. This brings the writer to a point where he desires to say a little about stitches.

It is not the kind of stitch that determines if the work is embroidery or not, but the use that is made of the stitch. Certain stitches, when used in making buttonholes, are called buttonhole stitches; the same stitches, when used for embellishment, are called embroidery stitches. The stitches made on the well-known Schiffli embroidery machine become zigzag stitches when produced by a lock-stitch zigzag machine, and the ordinary chain stitch becomes an embroidery stitch when made in doing embroidery on the Bonaz embroidery machine. The well-known hemstitch becomes an ornamental or an embroidery stitch when used for ornamental purposes, and so on. It is thus seen that what is and what is not embroidery can not be determined by the name of the stitch used, for the name of the stitch depends on the use that is made of it.

Respectfully submitted.

PARKES MACHINE COMPANY.

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LACES AND EMBROIDERIES.

[Paragraph 339.]

THE LEHIGHTON (PA.) LACE COMPANY ASKS AN INCREASE OF DUTY ON LACES FROM SIXTY TO EIGHTY PER CENT.

LEHIGHTON, PA., *January 22, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The manufacture of laces in this country is extremely in its infancy, and in the few years that this product has been made in this country not any too great a progress has been made, owing to the 45 per cent tariff on the machinery for making the same, none of which are manufactured in this country, and the tariff on fine spun yarns from 78/2-ply to 180/2-ply, of which very little, if any, practically speaking, are made in this country. All of this may be correct and proper, but in view of this a higher tariff on manufactured products of laces would have greatly helped these industries.

The plants in this country are: The American Textile Company, Pawtucket, R. I.; The Richmond Lace Works, Alton, R. I.; The Rhode Island Lace Works, Drownville, R. I.; Warwick Lace Works, River Point, R. I.; Lehighton Lace Company, Lehighton, Pa.; Hall Lace Company, Jersey City, N. J.; Jennings Lace Works, Brooklyn, N. Y.; Marshall Field & Co., Zion City, Chicago, Ill.; American Lace Manufacturing Company, Elyria, Ohio.

As nearly as can be estimated, these plants involve a total investment of between $2,000,000 and $3,000,000 in property and machinery.

Probably the total value of the manufactured goods of these plants would amount to between $2,000,000 and $3,000,000 a year.

The value of the lace machines without the accessory machinery, plus 45 per cent duty, makes them cost about $10,000 to $11,500 apiece, put in place, which gives an advantage at once to the foreign manufacturer over the American manufacturer in that the American manufacturer must spend on account of the ocean freight and duty half again as much as the European manufacturer, and still receive but the same production, which is one argument in favor of an increased tariff on the manufactured laces.

The present duty on fine brass bobbin yarns is as follows:

	Cents per pound.
78/2 Gassed cotton yarn	19½
100/2 Gassed cotton yarn	30
120/2 Gassed cotton yarn	36
140/2 Gassed cotton yarn	42
160/2 Gassed cotton yarn	48
180/2 Gassed cotton yarn	54

The proposed change in the duty on these fine yarns by the Yarn Association of this country is as follows:

	Cents per pound.
78/2 Gassed cotton yarn	39
100/2 Gassed cotton yarn	50
120/2 Gassed cotton yarn	60
140/2 Gassed cotton yarn	70
160/2 Gassed cotton yarn	80
180/2 Gassed cotton yarn	90

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which, therefore, furnishes a second reason for higher tariff on manufactured laces; as we are not offering any objections to the tariff on machinery nor the present tariff on fine yarns, as we believe the same to be about equitably adjusted, but considering the two aforesaid matters of duty on machinery and yarn, it is very important that the tariff on manufactured laces be sufficiently adjusted so as to protect what is purely an infant industry.

Therefore, the larger the quantity of fine yarn used the less margin of profit owing to the tariff on said yarn.

The value of importations into this country and duties on same of laces, lace curtains, etc., as per attached reports from the Department of Commerce and Labor will show, is as follows:

	Values.	Duties.
For 1906	$33,751,266.52	$20,247,089.99
For 1907	39,820,361.88	23,888,513.36
For 1908	33,006,467.27	19,799,868.17

Report by W. A. Graham Clark, compiled for the Department of Commerce and Labor on the lace industry, shows that $40,400,000 worth of lace goods was consumed for the year ending June 30, 1906, and it appeared from the reports of the exports from the different countries that the United States made for itself 17.8 per cent of the lace consumed therein in 1906. If this be so, the percentage was made up largely of lace curtains and nets, rather than lace trimmings, the latter being made in this country to the value of between $2,000,000 and $3,000,000, for so long as the tariff remains on the machinery and fine cotton yarns, the American manufacturers can not compete against the English and French imported goods.

The duty on laces at present is 60 per cent ad valorem, which, in view of the fact of the present tariff on yarns and machinery, is not sufficiently high, and no injustice will be worked against the importer or the consumer by an increase in this tariff.

Laces can be bought in any department store in this country for the retail consumer at from 1 to 10 cents a yard and even higher, but this arrangement of prices covers the usual demand, and since the importer bases his selling price on the cost, there is no reason for the request to ask for a reduction in the tariff, as the present reduction asked for (60 to 50 per cent), would make very little difference in the retail prices of these laces.

The importations are annually increasing in this country, and therefore a better protection on this particular class of goods is needed by the manufacturer in order to make it a successful industry. Like the spinning trade in the New England States, it shows that the margin of profits is not very large as compared to very many other industries, at least there is not a sufficient margin to protect the manufacturer as against the extremely low wages in foreign countries where these laces are produced.

American wages in the manufacture of laces are at least 100 per cent higher than in Germany and from 80 to 100 per cent higher than in England and France, and as every kind of machine-made lace made in England, Germany, or France can be made in this country the lace manufacturing industry is deserving of some consideration.

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This may be contrary to the importers' idea that not all classes of laces will be made here. The importer states that a lessening of the tariff on laces would mean increased importations, and therefore the same amount, if not more, would be derived in revenue. The same is also true that if the tariff were increased from 60 to 80 per cent there might be less importations, but the total amount of revenue from this source would no doubt not be lessened.

The importer desires the lace business not to be considered any longer essentially a luxury, but it still is so considered, and an increase from 60 to 80 per cent or even maintaining the present schedule will not work any injustice to the consumer of laces or even to the American garment manufacturer.

It is true that in the manufacture of garments in which lace trimmings are largely used these are about 500,000 operatives employed, but any increase of the domestic manufacture of laces will not change these conditions, and the comparison of operatives employed in the lace trade as against the operatives in the American garment trade is worth considering, as the one class is skilled and the other unskilled, and there is no reason why there should not be an annual increase in the amount of skilled labor employed in the lace trade just as well as any other trade in this country, which can be accomplished by a sufficient protection.

There are two classes of manufactured products, those having reached their final stage and those to be still further used in production in this country. On the manufactured products having reached their final stage no injury can be worked by the very highest kind of tariff, while on the manufactured products which have not reached their final stage an equitable adjustment should be made.

With the tariff on the machinery used in the manufacture of laces and embroideries being 45 per cent, and that on yarns ranging from 20 to 54 cents per pound, it is evident that the protection of 60 per cent is not allowing a sufficient margin for the manufacturer in this country to compete with the foreign manufacturer, nor is it sufficiently large, owing to the amount of capital first required to establish such manufacturing plants.

The importers' professed object in asking for a reduction of the tariff undoubtedly is that the consumer may buy his laces for less cost, but probably the real object is that less outlay of money is to be used by the importers in consequence of the reduction of the tariff, and also that the importers do not desire the industry to be promoted or increased in this country.

The American manufacturer of laces, in order to have a sufficient margin of profit, must therefore confine himself to the manufacture of that grade of lace trimmings in which at least from 75 to 80 per cent of domestic yarns are used.

The same machinery that is used in England and France in the manufacture of the fine laces can be imported into this country and the same goods made here, but in which class all the yarns that are used would be imported, and therefore unable to compete against the foreign-made goods in this class.

It is fair to assume that with proper protection a large percentage of the laces now imported of a certain class can be made in this country, and that since a large percentage of the labor is skilled it is of as much importance to consider the labor end of the question, or

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even more so, as the labor end of the operatives used in the garment trade which uses these lace trimmings.

The question has been raised, Why is all the machinery in the manufacture of laces imported? The main reason, undoubtedly, is that owing to the large amount of capital necessary to be employed in the establishing of a plant and the competition of foreign labor the machinery manufacturers of foreign countries have either considered it not profitable to establish plants here or the American machinery manufacturer has not sufficient inducement for the manufacture of such machinery, and we believe that with the lace trade properly protected it will bring to this country as well the manufacture of lace-making machinery.

In conclusion, speaking the sentiments of the majority of the lace manufacturers in this country, we, therefore, believe that an increase on the imported laces from 60 to 80 per cent ad valorem will enable the manufacturer in this country to largely increase his production and compete with the foreign manufacturers, thereby making possible the building up of a large and paying industry in this country, and we hope for a careful consideration of the facts as presented.

We are furnishing you with this brief a report of the silk and cotton lace exports into this country from an English lace manufacturing register of November 9, 1908, showing the values of imports; also reports from the Textile World Record:

Articles on Tariff Revision, The Lace and Net Trade, Dress Goods Made by Cheap Labor and Dumped on the American Market, Tariff Revision and the German Agreement, The Arrangement with Germany.

Respectfully submitted.

THE LEHIGHTON LACE COMPANY.
By P. M. GRAUL.

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY ON BEHALF OF THE IMPORTERS OF FRENCH LACES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to call the attention of your honorable body to the tariff on laces, which we consider as excessive, more especially as the majority of laces are manufactured here on a small scale and can not be considered as an article of luxury, as they are purchased by all classes of society, so that the heavy duty on the same deprives the Treasury of revenue, as this article could be sold in larger quantities if the duty was reduced, and it affects all classes who pay for it an excessive price on account of the duties.

It is noteworthy also that certain lace articles are imported here as raw material, for the manufacture of curtains, counterpanes, etc., and therefore the duty of 60 per cent is paid by the manufacturer on such raw material, which is not made here, and is paid ultimately also by the consumer, without any reason, as there is no such domestic industry to protect. This raw material is known as "Greek tulle" and is produced in the north of France.

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We think that the duty on the same, as on all other French fabrics of the kind, ought to be reduced to 50 per cent ad valorem, whether the material employed should be silk or cotton.

We trust these arguments will appeal to you, as they are based on facts which can not be disputed, and that you will give us the satisfaction solicited from your honorable body.

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

RUCHINGS.

[Paragraphs 339 and 390.]

THE RUCHINGS AND NOVELTY MANUFACTURERS' ASSOCIATION, NEW YORK CITY, SUGGESTS NEW CLASSIFICATION AND RATES FOR RUCHINGS.

139 TO 153 WEST NINETEENTH STREET,
New York, March 9, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We manufacture ruchings, plaitings, neck rufflings, shirrings, tuckings, etc. Most of the materials we use must be imported, as they are not manufactured in this country.

The rate of duty on imported materials used averages 60 per cent. and the difference in the cost of labor and expenses here and abroad is from 100 to 200 per cent. It is therefore obvious that the present rate of 60 per cent on our products is inadequate. We have at times been subjected to the severest foreign competition because of large quantities of ruchings being consigned.

We therefore respectfully ask that a compensatory rate be fixed on ruchings, etc., which would be equivalent to our paying only half the duty on our raw material and having 60 per cent on our finished product. In other words, if the raw material was 40 per cent of the cost of the finished product, boxed and ready for shipment, and the material pays a duty of 60 per cent, that would mean 40 of 60 per cent. or 24 per cent; half of this, 12 per cent, and the 60 per cent would make 72 per cent. We would then have 72 per cent protection, while paying 60 per cent on raw material.

Or, this extra protection would be equivalent to any of the following:

With the raw material free, 48 per cent protection.

Paying half the duty (about 30 per cent), 60 per cent protection.

Paying full duty of 60 per cent, 72 per cent protection.

We submit paragraphs, also samples of ruching materials and manufactured ruchings:

Add the following to Schedule J:

Ruchings, neck rufflings, flutings, plaitings, tuckings, crimpings, shirrings, wearing apparel, or articles of which any of the foregoing are component materials of chief value, composed wholly or in chief value of flax, cotton, or other vegetable fiber, shall pay a duty of 60 per cent ad valorem, and in addition thereto half the duty that would be chargeable on each and every material of which they are made in its most advanced state of manufacture.

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Add the following paragraph to Schedule L:

Ruchings, neck rufflings, flutings, plaitings, tuckings, crimpings, shirrings, wearing apparel, or articles of which any of the foregoing are component materials of chief value, composed wholly or in chief value of silk or artificial silk, or of the two collectively, shall pay a duty of 60 per cent ad valorem, and, in addition thereto, half the duty that would be chargeable on each and every material of which they are made in its most advanced state of manufacture.

Respectfully submitted.

RUCHING AND NOVELTY MANUFACTURERS' ASSOCIATION.
A. H. KURSHEEDT, *President.*

WOMEN'S WEAR.

[Paragraph 339.]

A. H. KURSHEEDT, NEW YORK CITY, FOR LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION OF THE UNITED STATES, FILES SUPPLEMENTAL BRIEF.

48 TO 49 BROADWAY,
New York City, February 3, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Our attention has been called to a petition signed by the manufacturers of women's, misses', children's, and infants' underwear, waists, corsets, caps, hats, aprons, etc., which we are informed was obtained through the efforts of the Lace and Embroidery Importers' Association; also some of the letters that were written to members of said association (forming part of Exhibit D).

The gist of the above manufacturers' petition is contained in two paragraphs as follows:

The excessive duty on this class of trimmings greatly restricts the export to foreign countries of the class of goods manufactured by the petitioners. The undersigned manufacturers of women's, misses', children's, and infants' underwear, waists, dresses, corsets, hats, caps, aprons, etc., further believe that the artistic character of such goods manufactured in this country is superior to that of garments of similar nature manufactured in other countries. These garments are composed of cotton material, the cotton of which is grown in this country, the cloth woven, the thread spun, and the buttons manufactured here, and added to these advantages are the more up-to-date and superior methods of manufacture. It is, therefore, believed that with the lower tariff on trimmings the American manufacturers of such garments will be enabled to eventually compete with the foreign manufacturers and obtain an outlet in every civilized country in the world.

The undersigned confidently anticipate from the rapid growth in the last few years of the manufacture in this country of the garments referred to that if the tariff on laces and embroideries should be considerably reduced the use of them would be increased to such an extent that the revenue to the Government from their importation would exceed in amount that which is now derived under the present high tariff.

There are three features in these paragraphs:

Firstly, they ask for a reduction from 60 per cent to 30 per cent to enable them to export their goods.

Secondly, they state that they could greatly increase their business if they had the rate lowered to 30 per cent.

Thirdly, they claim that the Government would receive more revenue with the duty cut in half (that is, lowered from 60 per cent to 30 per cent) than is now obtained from laces and embroideries.

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To the first point our answer is, as your honorable committee well knows, that according to the provisions of the present act they can obtain a drawback of 99 per cent on all imported materials manufactured into articles when they export them.

As this is a practicable arrangement, which is taken advantage of by many manufacturers in this country, their first point is completely answered.

Their second point is that they could do a greatly increased business because of this reduction.

Their opinion is based on the fact that their business has made great progress within the last few years (they mean the years 1905, 1906, and 1907; 1908 had not ended at the time they signed the petition and was not a very prosperous year for them).

Upon referring to statistics you will find that in 1889 and 1890, under a 40 per cent rate, there were less than $11,000,000 imported of cotton embroideries and goods classed with embroideries; in 1892 and 1893, under a 60 per cent rate. nearly $25,000,000 were imported of these goods in 1896 and 1897, together, at a 50 per cent rate, the import actually dropped off to about $24,000,000; in 1900 and 1901, under a 60 per cent rate, the imports were $38,000,000; in 1906 and 1907, under a 60 per cent rate, the imports were about $73,000,000.

Now, during these last two years (1906 and 1907), as the customhouse can inform you, and as you will find in Special Agent W. A. Graham Clark's book, where the stitch rates are given, on page 12, as follows:

	Schiffli machine, 6¾ yards.		Hand machine, 4½ yards.	
	January.	July.	January.	July.
	Centimes.	*Centimes.*	*Centimes.*	*Centimes.*
1902	37	33	29	29
1903	36	31	29	29
1904	27	27	23	24
1905	29	29	26	32
1906	36	38	31	35
1907	39	39	38	41
1908	34	.....	28	.....

The highest prices were paid for laces and embroideries, and that is just the time that these manufacturers claim they made the greatest progress in their business, proving what we have always contended, that fashion and other conditions, entirely exclusive of price, determine the amount of sales of these goods.

The statistics of imports show that when the duties were the lowest less were imported and when the duties were the highest the most were imported.

Their opinion as to the possible increased sales because of lower prices is actually disproved by these statistics and their own admission, as well as their third point, that the revenue to the Government would be greatly increased if the duty were cut in half, is also disproved.

We will now show in another way how unfounded their opinion is. Reducing the duty from 60 per cent to 30 per cent would give these manufacturers a difference in the cost of their embroideries and laces mounting to a percentage equal to what 30 is to 160, or about 18 per cent.

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The average proportion of value of laces or embroideries to the total cost of the garments which these people make would be about 30 per cent. Now, 30 per cent of 18 per cent would be 5⅝ per cent. It is quite unnecessary for us to make any comment upon a proposition that by selling an article 5⅝ per cent cheaper they could double their sales.

Even the most staple commodity would not have its sales perceptibly affected if sold that much cheaper; but with articles of fashion the price has very little influence on the sale; in fact, a very serious fall in price that makes an article common ends in its use being neglected for a period of time, and then it may gradually become fashionable again, but at a higher price.

In reference to the letters written to the importers and forming part of Exhibit D, these letters can be divided into two classes:

The one claim that they can buy goods cheaper here.

The other claim that the goods they buy here are so inferior that they can not use them.

The explanation is very simple. The goods which these manufacturers buy so much cheaper are certainly inferior, because they are made on cheaper cloths, and of cheaper yarns, and with less work, so as to be a cheapened reproduction of the imported samples which these manufacturers generally submit to be copied; that is why the better manufacturers of garments say that they can not use the domestic embroideries. If they wanted to buy an article equal to the imported in quality of cloth, yarn, and amount of work, it would cost more than the imported goods.

One manufacturer, Mr. A. S. Iserson, writes two letters, one to the Loeb & Schoenfeld Company and the other to Messrs. Levi, Sondheimer & Co. In the first letter he writes:

In answer to yours of the 21st instant, would say I have never been a large user of domestic embroidery. The domestic embroideries are too poorly made, and the bleach and finish is not good enough for my use in general. In cases where I have used the domestic embroideries I have been very much disappointed in the same, even though the price was about 20 per cent cheaper than the imported embroideries.

In the second letter he writes as follows:

In answer to your inquiry why my business with your firm has fallen off so much in comparison with former years, I beg to state that this is not due to any diminution of my preference for you, but to the simple fact that I am buying most of the goods I need in business from domestic manufacturers, who are underselling the imported goods by a margin varying from 15 to 25 per cent.

In the first letter he states that he buys no domestic goods, and in the second letter he claims that he buys nearly all domestic goods.

Aside from this contradiction, however, he states clearly that the goods he buys are decidedly inferior although cheaper.

Probably not a single one of these parties who wrote the letters (Exhibit D) or who signed the petition buy direct on the other side from the manufacturers, but only from the importers here, who add their profits. A comparison therefore of prices on such a basis would not be correct.

Respectfully submitted.

LACE AND EMBROIDERY MANUFACTURERS'
ASSOCIATION OF THE UNITED STATES,
Per A. H. KURSHEEDT, *President.*

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LINENS AND ELASTIC DUCKS.

NATHAN HIRSCH, NEW YORK, RECOMMENDS NEW CLASSIFICATION FOR LINENS AND FRENCH ELASTIC DUCKS.

203 GREENE STREET,
New York City, February 22, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Pursuant to our conversation, I submit to you some facts which, if you will have the kindness to put before your committee, I think that you will rectify some of the errors of the Dingley tariff bill. I refer especially to the linen schedule.

Our firm, Joseph Hirsch & Sons, of New York City, are manufacturers and converters of cotton goods. The schedule on cotton goods is all right as far as I know, taking the last tariff bill as my guide. But the linen schedule is so worded that goods of various kinds are allowed to come into our country to the hurt and harm of the cotton industry. In order to fully illustrate my contention I submit a sample marked "No. 1." This is an all-cotton cloth made by the Massachusetts Mills, in Floyd County, Ga.

I respectfully submit sample marked "2800." This is the same cloth after it has gone through the process of finishing. It is used by tailors and goes into the manufacture of clothing and men's and women's wear in general. The southern people do not know what this cloth goes into. They imagine that it goes for export to China. A great deal of it does, but almost one-half of the cloth that is made by this mill is converted and manufactured into fabrics like inclosed sample, marked "2800," and other fabrics competing with linen goods.

I furthermore submit for your kind consideration samples marked 8804, 4900, and 77000. These goods are all cotton.

I now submit for your consideration samples marked 1500 V, 1300, and 1500 H. These goods are all linen, and are now sent over in large quantities, to the detriment of the domestic manufactures. There are no manufacturers of linen canvas in this country.

To illustrate my contention further, I would say that according to the Dingley tariff the cotton cloth as shown by sample 8804 would cost, were it made on the other side and sent to this country, 2⅛ cents per yard, while the goods in linen would only cost 1¼ to 1⅜ cents per yard. You can thus see that the linen manufacturer has a chance to send over, or, in other words, slip in a lot of goods under the loosely worded phrases of the Dingley tariff bill.

I call your especial attention to the following paragraph, which appears in Schedule J, flax, hemp, and jute, and manufactures of, part of paragraph 346:

> Woven fabrics of flax, hemp, or ramie, or of which these substances or either of them is the component material of chief value, including such as is known as shirting cloth, weighing less than four and one-half ounces per square yard and containing more than one hundred threads to the square inch, counting the warp and filling, thirty-five per centum ad valorem.

This statement conflicts with the statement contained in the previous part of the paragraph. The words "shirting cloth" is a vague term and can be applied to almost anything. This cloth should come in under the higher duty as stated in paragraph 346. The

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very fact that any importer who would call a fabric "shirting cloth" would be entitled to get the goods in under the lower duty.

I furthermore call your attention to the fact that in this entire schedule there is nothing said about labor, such as dyeing, finishing, tentering, etc., all of which is necessary to perfect these fabrics. You will note that in the cotton schedule all these points are covered.

In paragraph 332 of Schedule J, which reads as follows—

> Flax gill netting, nets, webs, and seines shall pay the same duty per pound as is imposed in this schedule upon the thread, twine, or cord, of which they are made, and in addition thereto twenty-five per centum ad valorem—

you will see how the words netting, nets, webs, can be used to controvert the meaning of this paragraph and admit to our country on a lower duty just such goods as I submit samples of.

In conclusion, I respectfully suggest that the linen-goods schedule, or rather all linen goods, be placed on the same schedule as the cotton goods, or even somewhat higher, so that we will not be forced to compete with the pauper labor of England, Scotland, and Ireland, where goods of which I have submitted samples 1500 V, 1300 and 1500 H are made, and that it specially and specifically be stated that goods known as French elastic ducks, which have been tentered, and paddings used in the manufacture of men's and women's garments be classed separately and not put in the general list of woven fabrics.

In conclusion, allow me to thank you very much for your very courteous treatment.

I remain, with best regards, NATHAN HIRSCH.

NATHAN HIRSCH, NEW YORK CITY, SUBMITS AN EXPLANATORY LETTER IN WHICH HE REFERS TO FOREIGN WAGES.

WASHINGTON, D. C., *February 22, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR SIR: Referring to my letter of to-day, which I left with samples, I would say that I omitted to say in that letter the reason why we were selling these goods just now, and that is that flax at the present time is very high, owing partly to the Japanese-Russian war, which took a large number of peasants away from the fields, added to the partial crop failure of the year before. But I assure you that under normal circumstances the foreigner would be able to swamp us with his linen elastic canvases, paddings, etc.

You have no idea how poorly the weavers who weave these goods are paid. The laborer in Scotland, Belgium, and Ireland, where these goods are made, is very poorly paid compared to ours.

If you permit me to suggest, I would say that no linen goods, or union goods, which means cotton and linen, should be permitted to come into our country under a duty of at least 50 per cent.

Kindly pardon my letter, but I assure you that I am actuated by other than selfish motives.

Thanking you again for your very courteous treatment, I am, with best regards,

Very truly, yours, NATHAN HIRSCH.

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JUTE MANUFACTURES.

THE AMERICAN MANUFACTURING COMPANY, BROOKLYN, N. Y., SUBMITS STATEMENT RELATIVE TO DUTIES ON JUTE ROPE, TWINES, AND BAGGING.

BROOKLYN, N. Y., *February 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: On November 18 we joined in the submission of a brief presentation, calling attention to the needs of this industry. The below is an amplification of our proposition.

The American Manufacturing Company was organized and began business in 1889. The present paid in capital of the company is $6,000,000, and is the largest single employer of labor in the city of New York engaged in manufacturing.

The company manufactures three distinct lines of goods.

First. Manila and sisal rope and cordage to the extent of about 30,000,000 pounds per year of a value at present market prices of about $2,100,000.

Second. Jute twines and specialties to the extent of about 30,000,000 pounds per year of a present market value of about $1,600,000.

Third. Jute bagging for covering cotton bales to the extent of about 45,000,000 yards per year of a present market value of about $3,000,000.

Roughly, 45 per cent of the business in value is bagging for cotton and 55 per cent cordage and twines of various kinds.

These goods are dutiable under different sections and at different rates.

Cables and cordage of manila, sisal, and other hard fibers under paragraph 329 at 1 cent per pound.

We have suggested to the committee, in a memorial presented by Col. E. D. Metcalf, of Auburn, that this rate be reduced to three-fourths cent per pound, or a reduction of one-fourth under the present rate. Inasmuch as the raw material for these goods comes more cheaply to the United States than to other countries, and as the competition is all European or Canadian, and the manufacturers employ white labor exclusively, this three-fourths cent per pound should be sufficient.

Jute twines and cordage of the kind manufactured by this company, being made from yarns 720 feet to the pound and under, are not specifically mentioned in the present tariff, and are dutiable under the basket clause, paragraph 347, at 45 per cent ad valorem.

We have written a clause, which was presented by Mr. George F. Smith, of the Smith and Dove Manufacturing Company, of Andover, Mass., suggesting that jute yarn, 720 feet to the pound and under, and goods made therefrom, be made dutiable at 30 per cent ad valorem, or a reduction of one-third from the existing rate. Here, again, the competition is with European labor, and 30 per cent on the manufactured goods, including both raw material and labor, should give sufficient protection.

Bagging for cotton is dutiable under paragraph 344 at six-tenths cent per square yard, which rate is not nearly sufficient to cover the difference between the wages paid in the United States and those paid in the jute mills of India, from which point the chief foreign competition now comes.

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Formerly burlaps, bags, sacking, and various other forms of jute goods were woven in this country. The Chelsea Mills and the Planet Mills Manufacturing Company, of Brooklyn; the Dolphin jute mills, of Paterson, N. J.; the Ludlow Manufacturing Company, of Boston; and several other concerns made a variety of plain woven jute fabrics. With the passage of the Wilson bill the last of these had to discontinue this work. The Dingley rate (par. 341) of five-eighths cent per pound and 15 per cent ad valorem is not sufficient protection against Calcutta, and none of this manufacturing is now done in this country.

The bagging industry is the sole survivor of all the weavers of plain jute goods, and it seems hard that it should not receive sufficient protection to enable the manufacturers to at least continue in business.

When the Dingley bill was passed the rate of duty of six-tenths cent per square yard was not sufficient to cover the then difference between the Calcutta wage cost and that in this country, but as the bagging business was thoroughly established here and the jute mills in India did not then have special machinery for its production the importation at first increased slowly. Since that time other elements have come into the situation, and the present duty does not more than cover one-third the difference in cost of manufacture and delivery between Calcutta and the southern markets of this country, with the consequence that the business is rapidly and surely being transferred to India.

The yearly average manufacture and sale of all American manufactures of bagging has in twelve years fallen off about 10 per cent, while the average cotton crop and consequent consumption of bagging has increased about 20 per cent, the difference of about 30 per cent being made up by importations chiefly from India. The bagging imported during the fiscal year of 1907 reached 19,000,000 square yards, and in 1908, 16,350,000 square yards; this in spite of the fact that the prices of bagging in this country for 1907 and 1908 were not sufficiently profitable to pay 3 per cent per annum interest on the capital invested in that business.

At this time the business is threatened with entire destruction, and the causes are not far to seek. This company has since its beginning maintained an exceedingly elaborate and accurate system of cost sheets, most of which are now available for comparison.

Attached marked "Exhibit A" is an exhibit of rate of wages paid per week in Brooklyn, showing sixty-hour average of $5.66 in 1898 and fifty-seven hour average of $8.11 in 1908, an increase of 43 per cent in wages with 5 per cent decrease in hours in ten years.

Exhibit B shows the cost per 100 yards in three different cities of mill labor and mill supplies, chiefly composed of labor. The increase in these items is 37 per cent. In the endeavor to maintain our business we have reduced the yards of yarn per yard of bagging 20 per cent, thus cutting labor cost by making inferior goods. The real advance in wages per equal unit of production was 57 per cent. The loss of efficiency is accounted for by the poorer skill of the operatives. This results from the passage by the different States of child-labor laws, making it so that we do not now employ any person under 16 years of age.

Formerly our female employees were recruited by hiring girls 14 years old or thereabouts.

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These girls worked an average of five years or until about 19 years old, when they generally married.

Now, we first employ a girl when 16 and on the average she only stays three years, or until 19. In each case the first year is absorbed in training and is a loss and expense to us. As a consequence we now only average two years' work from our skilled women, whereas six, eight, and ten years ago we averaged four years, or twice as long.

In addition, 16 years old is too late in life to begin to acquire the greatest skill in any textile work.

Exhibit C shows total cost of manufacturing and distributing, exclusive of raw materials and freight, during the years 1907 and 1908.

The actual increase in cost of all items from 1898 to 1908 is nearly one full cent per yard.

Exhibit D shows the relative value of jute butts and bagging for ten years.

To show Calcutta wages we attach report of Consul-General Michael, marked "Exhibit E," showing average present wages in a Calcutta jute mill to be about $2.25 per month, or less than 9 cents per day per individual.

We also attach copy of letter from Maj. Charles E. Pearce, subsequently a Member of Congress from Missouri, marked "Exhibit F," written to us thirteen years ago. In this letter that gentleman, with thorough knowledge of our mills and methods, and a large investment in our stock, warned us that we would be forced out of business unless protected by a tariff.

That the rate of wages in Calcutta has not materially changed since the date of Major Pearce's letter is shown by the report of Consul-General Michael, which is dated June 17, 1907 (in Exhibit E).

Based on our experience of the past twelve years and as set out in papers attached, we believe that the difference in cost between manufacturing bagging to the best advantage in the United States and in India is at least the rate of duty that was effective under the McKinley bill, namely, $1\frac{6}{10}$ cents per square yard.

If it is desired to examine more fully into this matter, this company will cheerfully submit its figures of cost to any expert suggested and will pay all expenses of such examination.

Respectfully,

THE AMERICAN MANUFACTURING COMPANY,
By JOHN M. MAURY, *Assistant Secretary.*

EXHIBIT A.

Average weekly wages per individual for manufacturing bagging in Brooklyn during years named.

[This list covers all persons employed in the mill on bagging work.]

	Wages per week.	Hours.		Wages per week.	Hours.
1898	$5.66	60	1905	$7.35	55
1900	6.65	60	1906	7.70	55
1903	6.70	54	1907	8.34	55
1904	7.17	57	1908	8.11	55

An increase in ten years in average rate paid per individual of 43+ per cent, and a decrease of 5 per cent in hours.

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EXHIBIT B.

Average rate paid for mill labor and cost of supplies and cartage, per 100 yards of bagging, manufactured in Brooklyn, Charleston, and St. Louis.

	Mill labor per 100 yards.	Cartage and supplies per 100 yards.	Total per 100 yards.		Mill labor per 100 yards.	Cartage and supplies per 100 yards.	Total per 100 yards.
1896	$0.97	$0.24	$1.21	1904	$1.36	$0.30	$1.66
1897	1.00	.24	1.24	1905	1.32	.27	1.59
1898	1.03	.26	1.29	1906	1.49	.31	1.80
1899	1.12	.27	1.39	1907	1.77	.36	2.13
1902	1.09	.29	1.38	1908	1.38	.28	1.66
1903	1.27	.30	1.57				

An increase of 37+ per cent in cost per yard of these labor items in ten years, to which is to be added a decrease of 20 per cent in the yarn per yard, thus showing 57 per cent increase in actual labor.

EXHIBIT C.

Cost of manufacturing and distributing bagging per 100 yards exclusive of raw material and freights.

	1907.	1908.
Mill labor	$1.77	$1.38
Office labor and salaries	.25	.25
Cartage and supplies	.36	.28
Taxes, insurance, other administrative expenses, and sundries	.53	.46
Depreciation	.15	.15
Total per 100 yards	3.06	2.52

EXHIBIT D.

Jute butts and bagging for cotton, 1898 to 1908.

Year.	Imported jute butts average value—		Bagging for cotton, average selling price per yard May 1, f. o. b. New York (2 pounds per yard).	Year.	Imported jute butts average value—		Bagging for cotton, average selling price per yard May 1, f. o. b. New York (2 pounds per yard).
	Calcutta, cost per ton.	Landed New York, per pound.			Calcutta, cost per ton.	Landed New York, per pound.	
			Cents.				*Cents.*
1898	$14.33	$0.0104	5⅜	1904	$23.39	$0.0144	6¼
1899	16.53	.0114	5½	1905	23.16	.0143	7½
1900	27.00	.0161	7⅜	1906	46.99	.0250	8⅜
1901	31.84	.0182	6	1907	61.71	.0315	9½
1902	24.55	.0150	5⅜	1908	32.34	.0184	6⅜
1903	23.12	.0143	5¼				

EXHIBIT E.

[From Daily Consular and Trade Reports, No. 2897, June 17, 1907.]

The following report, covering the exports of jute and jute manufactures from British India and the wages and conditions of the jute-mill operatives, is furnished by Consul-General William H. Michael, of Calcutta:

Practically all the jute exported from India passes through the port of Calcutta. During the calendar year 1906 the value of jute and jute manufactures declared at

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this consulate-general for export to the United States was $30,709,426, viz: Gunny bags, $2,040,234; gunny cloth, $19,881,707; jute (raw), $5,715,920; and jute butts and rejections, $3,071,565.

The Commercial Intelligence Department, in its returns showing the sea-borne trade of British India for the year 1906, gives the exports from Calcutta to the United States as follows: Gunny bags, 13,079,600, valued at $719,330; gunny cloth, 492,785,420 yards, valued at $17,328,930; raw jute, 248,406,256 pounds, valued at $9,390,005; total, $27,438,265, or $3,271,161 less than the figures recorded in the consulate-general, which are based on the invoices covering all jute and jute manufactures shipped from Calcutta to the United States, and must be accepted as correct.

EXPORTS BY COUNTRIES.

According to official returns, the total exports of jute and jute products from British India to the several countries were as follows, in 1906:

Country.	Raw jute.		Gunny bags.		Gunny cloth.	
	Cwt.	Value.	Number.	Value.	Yards.	Value.
Africa:						
Cape Colony			3,736,250	$514,180		
East Africa			2,193,185	419,820		
Mauritius			3,501,922	318,905		
Natal			3,791,680	353,650		
Argentina					96,084,600	$4,179,200
Australasia			43,594,039	5,531,215	13,021,250	620,130
Austria-Hungary	864,743	$4,546,565				
Belgium			3,330,250	294,555		
Chile			21,705,600	1,661,275		
China			32,070,478	1,831,665	24,657,172	954,135
Cochin China			5,173,700	421,345		
Egypt			13,129,500	1,570,930		
France	1,777,636	10,5[illegible],365				
Germany	3,032,378	16,145,905	4,588,500	418,735		
Italy	632,710	3,400,555				
Java			2,121,022	241,215		
Peru			3,535,700	400,850		
Russia	24,074	120,580				
Siam			3,327,300	315,720		
Spain	431,413	2,481,415				
Straits Settlements			21,800,924	1,956,280		
Turkey in Asia			4,511,080	502,750		
Turkey in Europe			2,631,700	300,285		
United Kingdom	6,652,576	35,227,370	32,193,985	2,887,915	48,305,000	2,033,830
United States	2,217,913	9,390,005	13,079,600	714,330	492,785,420	17,328,930
Uruguay					3,530,000	153,210
West Indies			12,467,601	1,622,025		
All other countries	175,415	929,325	14,109,216	1,120,670	17,084,870	725,520
Total	15,808,858	82,791,085	246,593,232	23,398,335	695,468,312	25,994,955

JUTE PRODUCTION AND MANUFACTURE.

The normal area of jute cultivation in Bengal embraces 2,470,000 acres, which yield on an average three bales of 400 pounds each to the acre, or 7,410,000 bales. Cooch Behar, Assam, and Nepal produce 90,000 bales, making the total production in east and west Bengal 7,500,000 bales. The looms at work in Bengal and their increase since 1877 were as follows: 1877, 4,163; 1895, 9,841; 1901, 15,336; 1904, 19,901; 1905, 21,318; 1906, 23,884;. Of the last, 11,119 were sacking looms and 12,765 hessian looms. There are probably 125,000 persons employed in and about the mills. With the labor employed the average output per week for each loom amounts to about 14,000 pounds of goods. In the campaign for the year, fifty weeks, the production being 31¼ tons per loom per year, or a total of 750,000 tons, means a consumption of 3,750,000 bales.

I visited the modern Kinnison mill, which has a capital of $1,000,000 and the latest machinery made in England. It has 650 looms and produces 18,000 tons of bags and hessian cloth in fifty weeks. This mill employs 4,000 men, women, and children.

The wages paid to men in the mills range from $2 to $3 per month, women from $1.50 to $2, and boys and girls from $1 to $1.75. These people subsist principally on rice and vegetables made up in the form of curry, which is a peppery and sweetish mixture of rice and vegetables, with now and then chicken, duck, or goat meat.

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They all chew betel nut constantly as a stimulant. They eat two meals a day as a rule, one before beginning work and one after the day's work is done. The men and boys wear breechclouts, or dhooties, and the women and girls saris, which consist of 40 yards of thin muslin wrapped in a peculiar way about the loins and shoulders.

PRIMITIVE MODE OF LIVING.

The people of a mill, or several mills if the mills are nearly located together, occupy a village, which is made up of huts made of mud, bricks, and palm leaves woven into sheets and tacked onto bamboo poles. All are thatched with a long tough grass used throughout India for covering huts and bungalows, and which makes a tight, cool, and durable roof. The floor is made of clay tamped down hard, which makes a very good floor. On this floor is spread in places matting made of bamboo grass. On this matting many of the natives throw down a cotton blanket, or possibly a thin mattress, for beds. Some have a rude bed made of four posts 16 inches high, with crosshead and side pieces, pinned together and then crisscrossed with bed cords. There may be a few rude benches, but little or no other furniture is to be seen in the huts. The natives eat on the floor, squatted around a pot or can containing the food. The men and boys eat first and the women and girls afterwards, taking what is left. The mode of life is thoroughly primitive. No knives, spoons, or forks are used in eating, the fingers answering all purposes. Each Indian is ambitious to own a brass jug or pot, and these brasses are handed down as heirlooms and are held as almost sacred in possessions. They are kept bright by scouring them with mud and water. After a meal the brasses that have been used in any way are taken out in the street, where the women or men, as the case may be, squat on the ground and rub them with the dust and water.

WHAT THE UNITED STATES PAYS FOR JUTE.

It might be well to consider the fact that we are sending to India $21,921,941 annually for bags and cloth that might be made at home. We are receiving articles that are made by the cheapest paid labor on earth, and which could be made by mill labor in the United States. We are buying $8,787,485 worth of raw jute annually and manufacturing it into cloth. Why not buy as much raw jute as we need and manufacture it into cloth and bags? This would give additional employment to our own people and keep the profits at home.

It would be still better to encourage the growth of ramie on the lands going to waste in the Philippines, where that fiber can be successfully cultivated. Thus we would be absolutely independent in respect to bags for use in handling our floor, wheat, corn, oats, and other commodities. Since the process of cheaply degumming ramie has been discovered there seems to be no longer any excuse for holding back in the cultivation of ramie on an extensive scale.

[Eight illustrations accompanied Consul-General Michael's report, five showing the interior and exterior of the jute mills, one showing the landing of jute from native boats, and the other two groups of the mill operatives. All are filed in the Bureau of Manufactures.]

EXHIBIT F.

CALCUTTA, *February 9, 1895.*

THE AMERICAN MANUFACTURING COMPANY.

GENTLEMEN: The length of this letter will preclude my writing at this time about the incidents of my trip, and will therefore devote my time and space to the jute business as I have seen and studied it.

Jute is raised almost wholly in the Bengal district. The greater portion is raised by small farmers and in comparatively small lots—in a very large percentage of cases in lots as small as a maund (84 pounds). They can store this away in a small space and keep it for an indefinite time. If the price in the Indian markets is too low they will hold it back until the oncoming crop makes the hopes of a rise a vain one, then it will come out. It is almost always found, if prices advance, that a great deal of jute will appear that was never expected. In jute farming, everybody of the family works, men, women, and children. The weeding is, I think, done almost wholly by the women and children. The ground is broken up in the winter, seeding begins with the first rains, early in March, and the crop is harvested in July. Then they sow rice, peas, or something that will enable them to get two crops in twelve months off the same land. A vast amount of the tillable land of India, particularly in Bengal, is owned by the common people. They hold under a sort of perpetual lease. A great

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many men who work about in cities buy land with their savings, and eventually either go to it or rent it.

The lowest grades of hired farm labor will work for 2 or 3 annas per day (4 to 6 cents). I have myself heretofore been in error about the cutting of the butts from the jute. The whole thing is rotted and decorticated together, and in that form it is first loosely baled (largely of a maund weight) and bought by upcountry agents. Ralli, for instance, will send their buyers upcountry to buy the production of certain districts. This jute goes to their upcountry presses, where the jute is loosely compressed, and comes down here, where it is opened up, sorted, the butts cut off, and the jute graded and baled for home or export sale. The cuttings are afterwards assorted, graded, and baled. This work is all done by natives, under native management. The native managers receive so much for so much, and hire their own men. They are held responsible for grades (length, fineness, quality, and color) and of course throw the responsibility back on the men. By this system all the people in a press works acquire skill and activity, being paid according to work done. These men earn about 5 annas per day. The stuff is brought to the river in huge flatboats. A very great portion comes down in bhurs—boats about half the capacity of a canal boat, and a great deal comes down in dingres, a small boat that carries a good big load.

The jute of various districts is kept separate on account of variations in quality and color and length, and the difference arising from different soils and conditions.

All jute bales are handled exclusively by men; three men carry a 400-pound bale any distance on their heads, moving in step. A maund is generally considered a head load for one man. Primitive as this seems, the manager told me that it was cheaper than trucking by hand or team.

I may state generally that I am surprised and strongly impressed with the fine equipment of these mills and their adaptation to the working of low grades of jute and of butts. They are cutting tremendously into the trade of Dundee, and the Calcutta manufacturers with whom I have talked are themselves perfectly confident that within a few years they will possess the field as against Dundee. They are talking about increasing their capacities, and are making, I think, much more money than they are willing to admit.

My own examinations of their machinery, appliances, systems, fuel, and water cost, labor and office cost, shipping facilities, freight, etc., lead me to say without hesitation that Calcutta can make (and sell right in Liverpool) Hessians, burlap, all sort of packing and sackings, and all sorts of manufactured bags at prices which Dundee can't touch without loss, and still make good money.

When I was in Dundee the manager of the great Cox Bros. concern felt confident that making as they do high-grade stuff, such as carpetings, rugs, and all that class of fine jute work, they were safe against the Calcutta competition. I laughed at him then, and I find that my laugh was well taken. On yesterday I saw a piece of the first carpet run of a Calcutta mill. It was an experimental out-turn, and it was a tip top piece of work and good enough to put into the market. This shows that they can make the Cox class of goods, and are really getting into shape to do it. There is only one Calcutta mill working night shifts at the present time, and yet the excitement kicked up in England and Scotland over this proposition shows how strong the apprehension is that they will lose their jute manufacture. This they are sure to do, whether the Calcutta mills work at night or not. My own belief, founded on what I have seen, is that it is absolutely impossible for Scotland to hold even the English home market against the competition of Calcutta, and I doubt very much if it can be done by any country in the world without the intervention of a protective tariff or prohibitive legislation applied directly to the subject. Let us look back into the ground of this belief by a study of the Indian mills. Begin with the wages. Every jute mill in Calcutta is operated by entirely native labor. A mill of 600 looms has a Scotch or English manager, Scotch or English engineer, and Scotch or English heads of departments to the number of about five. Everything else from top to bottom, inclusive of the mill office force, is native. So also every clerk, bookkeeper, cashier, and indeed all the town office force is native except the chief manager and two or three assistants.

WAGES

The coolies who "tote" and handle bales earn about 66 cents per week.

The butt openers will earn 66 cents per week.

The separators and graders 50 to 80 cents per week.

The feeders to the softeners 12 cents a day.

The card feeders 12 cents per day.

The shippers earn from 50 to 80 cents per week.

The doffers—these are mostly little boys from 7 to 10 years old, and they work like lightning—fully equal to ours if not faster. These little chaps get 3 to 4 cents per day.

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Carriers and creel winders from 24 to 50 cents per week.
Weavers $1 per week for an average of 230 yards per day.
Reelers about 80 cents per week.
Bag sewer (sewing by machine 1,400 sacks per day) earns 66 cents per week.
Bag hemmer will earn 40 to 50 cents per week.
Man who carries sacks to sewer 50 cents per week.
Machinists and lathe workers 24 to 28 cents per day.
Engineer and assistants, mill-office clerks, and bookkeepers from $6.60 to $16.50 per month.
Timekeepers 15 to 20 rupees per month. ($5 to $6.60.)

Of medium grade Hessian a weaver will take off from 230 to 300 yards per day (6 a. m. to 6 p. m. or sunrise to sunset). They are paid by piece work. Their lowest earnings as reported at different mills is $1 per week, and the highest is $1.65 per week. There is another class of workers—women who do hand sewing on bags, and who within certain limitations come and go pretty much as they please. They work by the piece and earn about 50 cents per week.

An aggregate jute crop of four and one-half million bales is a good crop (so considered). Of this aggregate one and one-half million bales are used in Calcutta or India mills. Two and a half million bales are exported to Europe, and I suppose the balance to America.

Freight on machinery from London to Calcutta is 20 shillings per ton.

I was very much impressed by the extreme youth of the spinners—boys not over 13 years old spin on both the first and second spinning frames. The doffers are as young, very many of them, as 5 years—little tots who don't seem old enough to do anything but play, and yet these spinners and doffers are very active, look healthy, and work with great intelligence. So far as I can see they work as fast and get off the frames just as much stuff as ours do in the same length of time. They are treated kindly, are housed in large numbers by the company in little houses or huts built in long rows, for which the family pays 16 cents per month. Those who come from up-country are given pass leave for two months in the year. The passes simply insuring reemployment, and they invariably return.

The data which I have given above were obtained from the mill manager and engineer of the Gourepore Mill, located about 23 miles from Calcutta up the Hooghly River. Has 415 looms now working; employs 2,700 people of all kinds. Remarkable to state, the manager told me that his post-office accounts show that of his force 1,000 people send into the country 1,500 rupees per month, which represents a saving of 1½ rupees per month average. They make at his mill Hessians, burlaps, bags for sugar, onions, potatoes, wheat, oil cake, packing, etc. Calling at their town office, I saw the manager working out dividend checks 14 per cent on capital, and I was informed that they would double their loom capacity as rapidly as possible to get the machinery.

They have a good and quite full set of machine-shop tools, do their own repairing, cut their rollers, plane and drill, with hands who earn 24 to 28 cents per day for best workers.

LOWER HOOGHLY MILL.

This mill is about three years old—has 360 looms. Proposes to double within eighteen months, employs 2,500 people of all kinds, of which all but 5 (manager, engineer, superintendent, and department heads) are natives.

They work from sunrise to sunset—practically twelve hours. Most of their machinery, including looms and big mangling (hydraulic) machines were made by Urqhart, Lindsay & Co., Dundee. The hydraulic mangling machine is a splendid thing, costing £1,500. They take off their looms of 40-inch, 8 to 10 ounces Hessians from 250 to 280 yards per day. Their labor cost in product is stated to be about 75 rupees per ton, equal to from 20 per cent to 25 per cent.

Wages: Master mechanics and machinists—all native—get from $4 to $10 per month. The highest skill in their repair shop doing the same class of work which our best machinists do, get from $8.25 to $10 per month. Of this high class there are only 2 to 3 in the shop. I would judge that the average daily wages of their machine shop would not exceed $6.60 per month.

The little boys who doff the spinning and rowing frames are the most part under 9 years, and get 20 to 33 cents per week. They work very fast and intelligently. The law forbids working children under 13 more than six hours per day. The practice is to work them two hours and then shift off two hours.

Bag sewers (machine) making grain or wool sacks turn off each 800 to 1,000 bags per day, and earn about $1 per week.

Bag hemmers turn off 1,500 per day, and earn about $1 per week.

Card feeders are for the most part young girls, and get 12 cents per day.

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Card tenders (girls), 50 cents per week.

Weavers (burlap) earn from $1 to $1.65 per week—very few earn over $1.33 per week.

Cop winders get from 75 to 85 cents per week.

They pay about $2 per ton for their coal, and get a very excellent quality. They buy some as low as 6 cents per 85 pounds, but whether it is relally cheaper than the higher grades may be doubted. They have fine boilers, and use the Hopkinson stoker with good result. They transmit their power from their main wheel by rope gearing. They handle and pile their jute and butts entirely by hand—3 men moving in step, carrying 400 pound bales on their heads. These men get about 66 cents per week, and the manager says it is the cheapest method.

All mills but one are of one story, and all machinery is on one floor and generally in one room. Everything is substantial and very neat and clean with plenty of light from above. Good sanitary arrangements. The people all look healthy, cheerful, and contented, and seem to take more interest in their work than ours do.

The manager of the lower Hooghly Mill is a Scotchman of many years' experience, a very bright fellow, and thoroughly up to all the economies of manufacture. The lower Hooghly will also double capacity. They don't any of them care a rap about Dundee, and are determined to make Calcutta the leader in the manufacture of jute goods, and I have no doubt they will succeed in doing so within five years if they can get the necessary machinery within that time. Dundee aint in the game—nor is Germany.

Can they make bagging?

BAGGING.

Ralli's people showed me two samples of bagging similar to the samples you have seen. They say the Calcutta mills can't make our cloth. Of course I don't contradict this, but I will put in looms like ours and use their roving frames, and with a few incidental changes I will make our cloth exactly as we make it.

They won't make any in 1895, probably not 1896, but after 1896 a protective tariff or bust. They are now all busy on other things which they make and sell at a good profit in enormous quantities, and they have no particular object in bothering about our bagging. When they are largely in excess of their market they will turn to bagging I should think. I don't hear of any movement to make bagging in 1895. Besides they are in a considerable extent impressed with the probable reimposition of a protective tariff, which impression I am making as forcible as possible.

Mr. Got, of Ralli Brothers, says, and my observation confirms it, that the Calcutta mills are constantly and persistently increasing their facilities for working low grades, and will hereafter be in the market against us for many brands which they have not heretofore used. I think this will be so. The market here has advanced 20 per cent in a few days. Got says it is speculative and will drop back.

I don't see that I can do much else here, and will leave to-morrow for the up-country. This letter is loose jointed and may be unnecessarily in detail. You will extract what is valuable. Please retain it or a copy for me.

I am, yours, etc., CHARLES E. PEARCE.

THE LUDLOW (MASS.) MANUFACTURING ASSOCIATES ASK AN INCREASE OF DUTY ON MANUFACTURES OF JUTE.

LUDLOW, MASS., *February 13, 1909*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In view of the general demand for a revision of the tariff downward, the Ludlow Manufacturing Associates present this statement showing why the jute industry should receive special consideration.

In our memorial to the Ways and Means Committee we have advised a reduction in rates of duty on manufactures of hemp and flax where we compete with English and European mills. But in respect to jute manufactured in Calcutta we feel that conditions are peculiar, in that we come into competition with Asiatic labor as does no other manufacturing industry in the United States.

Jute is a long vegetable fiber, the cheapest commercial fiber in the world. It is grown in India only. The chief products of jute and

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the average duties levied on each under the present United States tariff during the fiscal year 1907–8 are shown on the following page.

The fabrication of jute was first begun in Dundee, which for many years held a monopoly of this form of manufacture, and is still the largest center of manufacture, with the exception of Calcutta. According to Consular and Trade Report No. 3302, of October 12, 1908, the great manufacturing centers of the jute industry are Calcutta, Dundee, Dunkirk, Hamburg, Vienna, Turin, Brooklyn, and Ludlow, Mass. But Calcutta overshadows them all, and it is against the competition from this source that the American jute mills most need tariff protection.

The American mills have in Dundee a competitor paying less than one-half the American rate of wages. The machinery used in the American mills is from the same English shops as the Dundee machinery; but the machinery and machine supplies imported into the United States have to pay a duty of 45 per cent.

	Equivalent ad valorem duty 1907–8.
Burlaps or hessians (a cheap, heavy cloth for baling purposes; also used as a foundation for oilcloths and linoleums):	
Present duty—	
Not exceeding 60 inches wide, weighing not less than 6 ounces per square yard, and not exceeding 30 threads to the square inch, counting warp and filling, $\frac{5}{8}$ cent per pound and 15 per cent (paragraph 341)	23.31
If exceeding 30 and not exceeding 55 threads to the square, $\frac{7}{8}$ inch cent per pound and 15 per cent (paragraph 341)	22.08
All others not specially provided for (paragraph 347)	45.00
Grain sacks, present duty, made of burlap of single jute yarns not exceeding 30 threads to square inch, counting warp and filling, $\frac{7}{8}$ cent per pound and 15 per cent (paragraph 343)	27.32
Jute yarn (used in manufacture of carpets, being used as foundation on which to weave the wool):	
Present duty—	
Not finer than five lea or number, 1 cent per pound and 10 per cent (paragraph 328)	22.31
If finer than five lea or number, 35 per cent (paragraph 328)	35.00
Twines and cordage, not specially provided for (paragraph 347)	45.00
Bagging for covering cotton, present duty, $\frac{6}{10}$ cent per square yards (paragraph 344)	9.47

Note the duties of 45 per cent assessed on jute manufactures coming under the omnibus clauses, as compared with the duties levied on jute yarn, 22.31 per cent, and bagging, 9.47, these two items constituting 80 per cent of our product.

This Dundee competition is similar to that met by other American industries, and against which others have a protection of from 35 per cent upward, as compared with less than 10 per cent protection to American manufacturers of jute bagging for cotton.

In Calcutta, now the greatest jute manufacturing center of the world, the American mills compete with a rival much more dangerous than Dundee. The Calcutta mills are situated alongside the exporting press houses, on tidewater, at the port of shipment. They can buy their jute as it is received loose from the upcountry farms, thus saving the cost of export packing. The Calcutta manufacturers can also buy from week to week, as their needs require, and can select their jute most carefully. They do not have to buy on the mark alone, nor long in advance in order to be sure of supplies.

Their mill buildings are of the best, and are equipped with the best English machinery, imported free of duty. The cost of the plant is about one-third less than that of an American mill.

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These mills are largely owned by Dundee manufacturers, who find their Calcutta mills more profitable than those of Dundee; and in consequence Calcutta has grown at the expense of Dundee.

These Calcutta mills are managed by the most experienced English managers, while the working people are paid less than one-tenth the wages paid in America, in some cases as low as 6 or 7 cents a day; and yet, according to all accounts, they are very efficient workers.

In manufacturing bagging we use, per unit of production, the same number of operatives as are required in the Dundee mills.

Sir John Leng, in his letters to the Dundee Advertiser, written in 1905 (pp. 82 and 99), estimated that one-third more hands are required in the Calcutta mills than are required in the Dundee mills per unit of production. On this basis, if this is correct, we figure that in manufacturing our average yearly product of 20,000,000 yards of bagging (45 inches wide) we have to pay in wages alone about $175,000 more than the Calcutta mills would have to pay for the same work. This is equal to seven-eighths cent per yard, or one-eighth of a cent more than the duty assessed on imported bagging.

The American manufacturer has to contend not only against these advantages of location, cheaper plant, and exceedingly low labor cost, but he is also handicapped by certain limitations put on him by the laws of his own State or the United States.

SHORTER HOURS AND RESTRICTED TIME IN AMERICAN MILLS.

In Massachusetts, factory work by women and children is re-restricted to fifty-eight hours a week, and is permitted only between the hours of 6 a. m. and 7 p. m. In Calcutta, while the number of hours during which women and children are employed are no longer than with us, women are allowed to work nights, so that Calcutta mills regularly run two shifts, or fourteen hours, instead of nine hours, as with us, thus materially reducing their capital and general expense account. At times they run three shifts, or twenty-two hours.

Restriction of child labor.—Many of the operations of jute manufacturing can be done as well by children as by adults, and to become an adept spinner of yarns requires practice as a child. Therefore both in the matter of economy and efficiency any reduction in the use of child labor is a further handicap to the American manufacturer, and legislation is continually restricting child labor, both as to the working age and hours of labor. By a recent Massachusetts law the hours of labor for women and children are to be restricted in 1910 to fifty-six a week. We do not object to this legislation. In the interests of our women and children we reduced in 1903 our running time to fifty-five hours a week, whereas the State allowed fifty-eight hours. We believe that no manufacturer is doing more for the health, education, and recreation of his women and children than we are. But we claim that when labor satisfactorily and economically carried on by children of 14 years of age and upward has to be replaced with adult labor it adds to the cost of manufacturing, and that the present handicaps as compared with Calcutta and the probability that those handicaps will be increased in the future must be borne in mind in considering the amount of protection needed.

It seems probable that before long the hours of labor for women and children will be reduced in Massachusetts to forty-eight hours a

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week. This will mean forty-eight hours for men also when employed in the same mills as are women and children.

Judging from past experience there will be no corresponding reduction in wages; probably eventually a rise, if other industries are to be affected as is ours.

A careful estimate shows us that this reduction in hours from fifty-five to forty-eight would result, in the case of our own business, in a reduced production of 13 per cent at an increased cost per unit of 10 per cent. This combination of reduced product and increased cost per unit would figure out a loss of 33 per cent in the profits of the business.

A consideration of our cost figures for the past ten years shows that the cost to us of manufacturing a yard of bagging has increased since 1899 by 59½ per cent.

From these figures it will be seen that the duty of six-tenths cent per square yard (or three-fourths cent per linear yard of 2-pound bagging), which was designed to protect the American manufacturers under the conditions and relative costs of manufacturing in 1897, has now ceased to be in anyway adequate to protect the American manufacturer of bagging, and promises to afford even less protection in the near future.

Ocean freights.—When Calcutta has manufactured a roll of bagging or a ton of yarn, it can be shipped to the United States in any vessel offering; no restrictions are placed on the nationality of the vessel or the composition of the crew. But when the American manufacturer ships bagging south, he is obliged to use only American vessels, employing American labor, and paying American wages, and the freight charges are correspondingly higher. The shipping laws of the United States thus prevent the domestic manufacturer from securing cheap ocean freights to his consuming market.

When his bagging reaches the southern ports he finds that the importer of foreign bagging, in connection with his cheap ocean freights, has a differential on his railroad freight to inland points; in some cases such railroad freight on imported bagging being less than two-thirds that charged on domestie bagging.

Texas and Oklahoma together use more bagging than any other State. In supplying this territory with bagging the freight paid by the Ludlow Manufacturing Associates in ocean, coastwise, and inland charges exceeds that paid by the Calcutta mills by more than the total amount of the duties paid.

	Freights paid by American manufacturers per 100 yards of bagging.	Freights paid by Calcutta manufacturers per 100 yards of bagging.
Average freights paid in season of 1908 by Ludlow Manufacturing Associates on 200 pounds of butts, Calcutta to Ludlow	$0.82	.....
Freight on 100 yards 2-pound bagging, Ludlow to New Orleans, at 27 cents per 100 pounds	.54	.....
Freight on 100 yards 2-pound bagging, Calcutta to New Orleans, at 35 shillings per 2,240 pounds	.....	$0.7628
Freight on 100 yards 2-pound bagging, New Orleans-Texas common points	.64	.42
	2.00	1.1828
Difference in freights in favor of Calcutta manufacturers	.....	.8172
	.....	2.0000

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It will be seen from the above figures, that in order to place his bagging in the hands of the consumer, the American manufacturer has to pay on each 100 yards of bagging 81 cents more than his Calcutta competitor. On our sales of last year this freight item alone amounts to a handicap of more than $163,000.

The laws of the United States give the domestic manufacturer no protection against this railroad discrimination in import freight rates. His protection must come from the tariff.

In most industries the lowering of the price of an article increases its consumption, and hence competition, which reduces the price of a commodity, stimulates the consumption and enables the manufacturer to operate his machinery full time, thus keeping down the cost. This rule does not apply to bagging.

Cotton bagging is used only for covering the American cotton crop. The moment the last bale is covered the demand ceases. No more is needed until the harvesting of the next year's crop. All bagging unsold must be carried over into the next season. It is a very bulky article, requiring great expense in storage, as well as the expense of interest and insurance.

Now, while the American bagging mill has neither the necessary variety nor kind of machines to manufacture yarns and burlaps, the Calcutta mills can, by omitting certain machines and making temporary changes in others, very easily turn a large part of their machinery onto the manufacture of bagging. There were in 1906, 11,119 sacking looms in the Indian mills; thus whenever the burlap business is dull, they can keep their machines running on bagging, and dump it on the American market. The whole American cotton crop could be covered by one-tenth of the machinery in Calcutta.

A great deal is said about infant industries that never outgrow their infancy, but seem to grow weaker as they grow older. We do not claim to be an infant industry. We believe that we can compete successfully with any American mill, and under the present duties with any European mill; but we do fear the combination of English capital, enterprise, and management, Asiatic labor, and cheap ocean freights. We know of no oriental industry competing with Europe and the United States that has grown as has the Calcutta jute industry or that so threatens the life of mills employing white labor.

The United States receives Europeans of all nations, but Asiatics it bars out.

If the competition of the Asiatic laborer is so feared that he is forbidden entrance to the United States, is it unreasonable for the manufacturers of the United States to ask for some special protection against the importation of goods manufactured by him?

Many American industries are exporting their manufacture to countries against whose competition they are protected. This has created much feeling among American consumers. Not only are the American manufacturers of jute unable to make any exports, but they are met, especially in the bagging business, with increasing imports.

We give below a table compiled from the United States Treasury statistics showing for the years 1903, 1904, 1905, 1906, 1907, and 1908 the amount of bagging imported, the value, duties paid, price per square yard, and the equivalent ad valorem rate of duty assessed. Note the rapid increase in the amount of imports, and that the ad

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valorem rate of protection in 1907 was less than ten per cent. The ad valorem duty assessed in 1908 was 9.11 per cent.

Importations of bagging under duty of six-tenths cent per square yard between 1903–1907.

Year.	Quantity, in square yards.	Value.	Duty collected.	Average value per square yard.	Equivalent ad valorem duty.
1903	5,417,039	$213,098	$32,502.24	$0.039	15.26
1904	7,801,672	261,235	46,810.02	.033	17.92
1905	9,603,487	391,730	57,620.91	.041	14.71
1906	12,309,136	663,843	73,854.80	.054	11.13
1907	19,817,860	1,215,446	118,907.12	.061	9.78
1908	16,349,696	1,076,353	98,098.16	.066	9.11

We have spoken of the difference between the wages paid at Ludlow and those paid in Dundee and Calcutta as affecting the cost of manufacture.

We give in Exhibit 8 figures showing the cost of living of a typical mill family in Ludlow and in the neighborhood of Calcutta; also the earning capacity of this family, composed of five people.

Our figures for the Indian family we have taken from Sir John Leng's letters to the Dundee Advertiser in 1895–6, which are typical at the present time.

In addition to the bare cost of housing, subsistence, and clothing, we wish to call attention to the different living conditions of the employees at Ludlow and at Dundee and Calcutta, to the great attention paid to improving the conditions of the employees at Ludlow, and to the large amount of money expended for this purpose, all of which is a tax on the industry and has to be paid for out of the earnings. This social improvement may be considered as additional wages, or, as it has been styled, a "dividend to labor."

The Ludlow Manufacturing Associates have always paid great attention to the welfare of their employees. In the United States census of 1880 three New England villages were selected as representing the highest types of housing for manufacturing employees, Ludlow being one.

Since 1880 it has been the ambition of the Ludlow managers to make the village of Ludlow a model for other manufacturers to copy, and we submit that there is not to be found in the United States a village, employing the class of textile labor employed by us, that can show better housing conditions or more facilities for thrift, education, and recreation.

Believing that a sound and healthy municipal life is dependent upon the soundness of the individual home, and that such homes are fostered by individual houses, the company has built up a cottage community. This form of housing is much more expensive than housing in cheap tenements; the cottages, however, are rented at about one-half the cost charged for similar cottages in the neighborhood. The average weekly charge for these cottages is on the basis of 38 cents a room.

Sir John Leng, in his letters to the Dundee Advertiser, in speaking of living conditions in Calcutta, says:

> The natives enjoy the degrees of warmth which to Europeans are almost unendurable; but they enjoy them with scanty clothing, light dietary, abstinence from intoxicating drinks, and dwellings built of willows and mats.

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And again, in referring to the natives' habits, he says:

Accustomed all his life to bamboo-framed huts with mud-brick walls or bamboo mats.

As shown in Exhibit 8, an average rent for a native family to pay is 3½ cents per week.

In order to give some idea of the village of Ludlow and its activities, we attach a number of views. The company owns one of the churches, one of the schoolhouses, a large recreation clubhouse, a hospital, athletic field, summer camp, and various other structures built for the benefit of their employees. The savings bank, with deposits of $500,000 and providing savings-bank insurance, has been due to their interest in the village. It has been through their interest that the Ludlow Athletic and Recreation Association and the hospital society have been formed, and other village activities developed.

The company has provided a library and pays its running expenses; it pays half the running expenses of the hospital. It also supports three free schools: A half-time apprentice school for boys between 14 and 18, an evening technical school, an evening school for foreigners—i. e., Poles, Italians, and French.

The enrollment in these various schools is between 200 and 300.

In this way the Ludlow Manufacturing Associates are trying (and we think successfully) to Americanize the foreigners, make better citizens of their other employees, and to solve the problem of the relationship between labor and capital.

We consider that in all these ways the people of the village are sharers in the prosperity of the concern. All this takes thought, time, and money; and to the best of our knowledge and belief nothing of the sort is being done by manufacturers in Dundee and Calcutta.

Bagging represents 48 per cent by weight and 25 per cent by value of the product of the Ludlow mills. As already shown (p. 8), the ad valorem duty on bagging for the last two years has been less than 10 per cent; the actual average being 9.47 per cent.

Are not the manufacturers, who are leading in the march for better living conditions for American laborers, entitled to more than this inadequate protection against the lower wages, lower living conditions, and the cheaper cost of plant, machinery, and supplies, under which their foreign competitors operate?

Can any intelligent person believe that the conditions in Ludlow can be maintained unless the village industry is given more protection against the increasing competition of the Calcutta mills, which receive their jute direct from the farms, are equipped with the very best English machinery, and managed by the best technical talent in England, employing the lowest paid labor, and shipping at the very lowest rates direct from their mills to southern seaports, where the railroads give them preferential rates, and the Constitution of the United States exempts their merchandise from local taxation? (Art. 1, sec. 10.)

LUDLOW MANUFACTURING ASSOCIATES.

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SCHEDULE K—WOOL, AND MANUFACTURES OF.

CARPET WOOLS.

[Paragraphs 351 and 354.]

ARTHUR T. LYMAN, BOSTON, SUBMITS STATEMENT RELATIVE TO PROPER CLASSIFICATION OF CARPET WOOLS.

50 STATE STREET,
Boston, February 20, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

DEAR SIR: I inclose a circular relating to wool duties which, though of date of 1892, is perfectly applicable to present conditions.

The Wool Consumers' Association included a large number of manufacturers with between 5,000 and 6,000 looms. I was at that time manager of the Lowell Manufacturing Company, one of the largest and most prominent carpet mills in the country (now a part of the Bigelow Carpet Company).

The dividing line (12 cents) in carpet wool duties is very objectionable and often raises the duty from 4 cents to 7 cents per pound, and a year and more ago caused this advance on all carpet wools. No carpet wools are raised in this country.

England, France, and Germany, with free wool, have a choice and command of the wool markets of the world and a great advantage over American manufacturers. With the widely variable shrinkage in all kinds and classes of wool specific duties are extremely unfair and cause a most harmful discrimination against manufacturers in this country. The high duties on textile machinery and on various raw or partly manufactured materials also seriously hamper American manufacturers in competing with foreign countries in the world's markets.

	Per cent.
South American Merino shrinks (about)	70
Cape of Good Hope wool (about)	65
Australian (about)	50
South American crossbreeds (about)	30
English (about)	20
Carpet wool, may vary (about)	10 to 60

If wool is not free, the duty should be an ad valorem one.

Yours, respectfully,

ARTHUR T. LYMAN.

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EXHIBIT A.

BOSTON, *January 25, 1892.*

To the honorable the Senate and House of Representatives of the United States:

The Wool Consumers' Association respectfully petitions the Fifty-second Congress to change Schedule K, relating to wool and woolens, in the tariff act of 1890, for the relief of woolen manufacturers and for the benefit of all consumers of woolen fabrics.

It is of course undesirable in general to change tariffs frequently, but the general principles of the act of 1890, as applied to wool and woolens, are the same as have been tried unsatisfactorily for very many years, except that it aggravates some of the worst and most oppressive features of former acts in relation to wool.

The act has therefore practically been tested by the trials of many years, and there is no occasion to test it by longer experience. It is not true that the act in its present form can work no harm to woolen manufacturers. It works the same injury to the makers of woolen and worsted cloth that the restrictions on the use of wool always have produced, and in the case of the carpet trade, which consumes a very large proportion of all the imported wool, it is the most oppressive act ever passed.

The wool schedule (K) of the tariff act of 1890 offers an exceptional opportunity, by amendments making wool free and relatively decreasing both the specific and ad valorem duties on woolen goods, to benefit immensely the woolen manufacturers by giving them free access to the supplies of wool of various qualities, such as all other competing manufacturing countries enjoy, and by reducing thus without injury to manufacturers the cost of their goods to them and to the consumers, while leaving sufficient protection. With free raw materials the tax on imports of competing goods would be almost entirely for the protection of labor; and as free raw materials would greatly increase the consumption, there would be an increased demand for labor.

Neither is it true that no harm has come to consumers by the law of 1890. In the first place, the increased cost of wool as compared with prices in Europe has forced the use of cotton and other adulterants to a great and unusual extent; and, secondly, if woolen goods have not advanced they might have been lower but for the duties on wool. There is no question among manufacturers that the act of 1890 was intended to advance prices, nor that it was well calculated to do so to the extent that consumers could afford. The almost universal fall in prices was caused in very small degree, if at all, by the tariff act of 1890. The tremendous losses in the Argentine Republic and elsewhere, the failure of the Barings, the distrust caused by silver legislation, the low price of cotton in the South on account of an enormous crop, the failure of crops in the North and West prior to 1891, causing dull trade and reduced consumption, are the principal causes that brought distress and falling prices.

What those manufacturers and woolgrowers who arranged the wool schedule with the intention of increasing prices want is, no doubt, to be let alone, so that the tariff act may produce under more favorable auspices the results they expected and worked for. But the rest that the public needs is a permanent relief from taxes which oppress both them and manufacturers, which hamper the latter, as every manufacturer admits, and which largely increase the cost of woolen goods to the public. The readjustment of the tariff on the basis of free wool is perfectly simple; it needs but the removal of the duties on wool and a corresponding reduction of the duties on goods which were put on to offset the cost of the wool duties. Here is a great boon to every manufacturer of wool and to every consumer. It is absurd to say that because the duty is taken off of one article free trade must follow. Congress is not obliged to adopt free trade because the duty is taken off of wool any more than it was when it made jute or tea or coffee or sugar free.

The growth of the wool manufacture has undoubtedly been great during the past thirty years, for the country, with its vast natural resources and enormous immigration, has increased vastly in population and wealth; but the growth of the manufacture would be much more prosperous and much greater with free wool, and its growth and prosperity mean larger use of domestic wools and higher prices abroad for all competing wools.

It is clear from the statements of the National Association of Wool Manufacturers and from undoubted facts, emphasized by the vast increase in the imports of wool since the passage of the act of 1890 and by the falling prices of Ohio wool, that this country produces practically no carpet wool to supply the demand for nearly 100,000,000 pounds needed by the carpet manufacturers, and only a part of the clothing and combing wools needed; and it is further to be considered that the use of wool for so-called "woolens" would be much larger if the restrictions of the wool duties did not greatly reduce the consumption of wool and largely increase the use of shoddy and cotton in so-called woolen goods.

And this is the case after a long series of years of high duties on wool. In the theory of the "new protection" it is laid down as a principle that "the necessities entering

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into the daily life of the mass of the people which we can not economically produce should be made free."

On this principle wool should certainly be made free. It is a most important article for all the people. It is produced in this country in inadequate quantities, and not in the necessary varieties and qualities. Some indispensable grades can be produced in this country only under conditions unfavorable as compared with those of other countries. High duties for a quarter of a century have failed to produce any carpet wool in this country and have also failed to produce an adequate supply of the wools needed for the woolen and worsted manufacture. And, as wool can be made free with a large reduction in cost of goods and with very little disturbance of trade or of interference with sufficient protection, it is only reasonable that the changes suggested in Schedule K of the act of 1890 should be made for the benefit of the whole people.

ARTHUR T. LYMAN,
JESSE METCALF,
WM. B. WEEDEN,
G. C. MOSES,
CHARLES M. BEACH,
T. QUINCY BROWNE,
Executive Committee of the Wool Consumers' Association.

THE CARPET MANUFACTURERS OF THE UNITED STATES ASK THE REENACTMENT OF CERTAIN PROVISIONS OF THE McKINLEY BILL RELATIVE TO CARPET WOOLS.

WASHINGTON, D. C., *February 25, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The carpet manufacturers of the United States, at a hearing held in Washington on Wednesday, February 10, 1909, having asked through their representative, George McNeir, for a duty of 25 per cent ad valorem on all class 111, called carpet wools; also for a restoration of the classification by blood which prevailed in the tariff of 1890, and in all other wool tariffs as far back as 1868, were requested by you to prepare a schedule showing what reductions could be made, and submit the following:

We ask that paragraph 376 of the tariff act of October 1, 1890, be substituted for paragraph 349 of the tariff act of July 24, 1897, and that paragraph 378 of the tariff act of October 1, 1890, be substituted for paragraph 351 of the tariff act of July 24, 1897.

Our object in asking this substitution is to restore the classification by blood which has prevailed in every tariff from 1868 down to 1897, when the change was made.

On a basis of 25 per cent ad valorem on third-class wools the specific or compensating duties can be reduced as follows:

Par. 372. On Aubusson, Axminster, moquette, and chenille carpets mentioned in paragraph 372 of the tariff act of 1897 the specific duty can be reduced from 60 cents per square yard to 45 cents per square yard, the ad valorem or protective rate to remain at 40 per cent.

Par. 373. On Saxony, Wilton, and Tourney velvet carpets, paragraph 373 of the tariff act of 1897, the specific duty can be reduced from 60 cents per square yard to 45 cents per square yard, the ad valorem or protective rate to remain at 40 per cent.

Par. 374. On Brussels carpets, paragraph 374 of the tariff act of 1897, the specific duty can be reduced from 44 cents per square yard to 33

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cents per square yard, the ad valorem or protective rate to remain at 40 per cent.

Par. 375. On velvet and tapestry velvet carpets, paragraph 375 of the tariff act of 1897, the specific duty can be reduced from 40 cents per square yard to 33 cents per square yard, the ad valorem or protective rate to remain at 40 per cent.

Par. 376. On tapestry brussels carpets, paragraph 376 of the tariff act of 1897, the specific duty can be reduced from 28 cents per square yard to 23 cents per square yard, the ad valorem or protective rate to remain at 40 per cent.

The foregoing are the only changes we would recommend in Schedule K, so far as it relates to wools of the third-class and carpets.

Respectfully submitted.

CHAS. F. FAIRBANKS,
ROBT. P. PERKINS,
ALEX. SMITH COCHRAN,
ROBT. DORNAN,
JOHN SANFORD,
JAS. DOBSON,
A. J. ABBOT,
HENRY P. FAIRBANKS,
SAML. STINSON,
GEO. MCNEIR,
Committee on behalf of Carpet Manufacturers.

WOOLENS AND WORSTEDS.

L. C. CHASE & CO., BOSTON, THINK IT IMPOSSIBLE TO ELABORATE A PRACTICABLE SCHEDULE OF AD VALOREM DUTIES FOR WOOL AND WOOLENS.

89 FRANKLIN STREET,
Boston, February 20, 1909.

Hon. SAMUEL W. MCCALL, M. C.,
Washington, D. C.

MY DEAR SIR: I wish to say a word in relation to the woolen schedule. I assume you have looked over some of the memoranda and papers sent in by the National Association of Wool Manufacturers. There has been quite a large committee appointed, as you know, and I believe I have attended all the meetings, and quite a number of documents have been sent to your committee, which we have signed, and the committee have all authorized their names to be affixed to the same, and I, for one, believe that all the statements have been and can be fully verified.

Our committee has also had Mr. Moir with them at two or three sittings and canvassed his proposition, and while there is some equity and possible justice in what he asks for in the way of ad valorem duties on wool, he has not been able to work out a practical plan; neither has our committee been able to work out a practical plan, and I think Mr. Moir gave the whole matter away to our committee when he remarked that if his son had had the courage that he had five years ago, and they had put in worsted machinery, as he desired to do, he probably would not be before the committee to-day desiring an ad

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valorem duty, thereby admitting that the worsted branch of the clothing business had virtually superseded the old-fashioned woolen goods, and you gentlemen, I am afraid, will find it very difficult to make a tariff to adjust styles, and I do not suppose you will attempt to. Naturally, we woolen manufacturers have got a vital interest in the next tariff. We believe that the committee has had sufficient information to act intelligently, and we can not see how there can be any change in the present schedule on wool without working a hardship to the industry.

The woolen industry is a very large industry of New England, as you realize, and naturally they look to you and Mr. Hill to see that it is sufficiently protected. With the enormous importations that have already taken place on some woolen dress goods, it shows that on some branches of the business at least the tariff is not high enough to secure to the American manufacturers the American markets, and, while no effort has been made to have the duty increased, it certainly would be a serious menace to New England to have the schedule reduced in any place that will permit a still larger amount of foreign goods to be dumped into this country. Of course we appreciate the fact that if a mill can run three-quarters full on a normal business and can dump the other quarter into some other country, it is very nice for the mill. We believe, however, that we are entitled to all the protection we have had.

I might say that in conjunction with Mr. Whitman I called together a lot of the woolen bed blanket manufacturers and we asked them if they would not give us a statement as to how much profit they had made on their output for the last five years. Some five or six of the largest ones made such a statement and the same have been filed with your committee. You will notice the profits did not average 8 per cent. You can not make many "robber barons" out of that kind of profit; in fact the competition has been so keen among the woolen manufacturers and worsted manufacturers that the woolen manufacturers have been crowded to the wall, and the worsted manufacturers have not made any too much money, and the American consumers have had the benefit of this keen competition. Now in the name of justice to the millions of money invested in this enterprise we hope no more burdens will be placed upon it, because when a depression comes, such as last year, there are very few mills, if any, that can make any money. None of ours did, and we have yet to learn of any mill that did make any money to amount to anything.

Now, our committee has spent a good deal of time on this subject and I sincerely hope you have had time to read over and digest the statements sent in by our committee, as I believe they are thoroughly truthful and can not be disputed. I will not go into the question of some expert evidence you have before you, as that has been answered by Mr. Whitman. Suffice it to say that a man like Mr. Clark, who has given two months' study to the woolen industry and claims to be an expert, certainly must be more brilliant than any man I could come in contact with who has had years' experience.

Now, my dear McCall, I know that you realize the burdens placed upon you, and you have got the statistics before you as to the capital invested, the people employed, and I will not attempt to rehash the matter. All our industry asks is that it be protected in such a way that this country can not be made the "dumping ground" of foreign

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manufacturers in times of depression over there or be built up at our expense here. I have discussed with you many times the question of undervaluation, which is a most serious question, and unless the value of goods can be fixed on this side it will be very difficult to make a tariff that will be protective regardless of what it is, especially if President Roosevelt's "reciprocity" plans are to have any weight, which we understand they will not in the future.

Sincerely, yours,

JOHN HOPEWELL.

HON. A. B. CAPRON, M. C., SUBMITS LETTER OF F. C. FLETCHER, BOSTON, MASS., RELATIVE TO THE WOOLEN SCHEDULE.

WASHINGTON, D. C., *February 23, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means.

DEAR SIR: I beg to inclose a letter from F. C. Fletcher, president of the Pocasset Worsted Company, Boston, Mass., against changing Schedule K of the tariff law, and would particularly call your attention to the last paragraph thereof, and would ask that the letter be considered by your committee.

Very truly, yours,

A. B. CAPRON.

BOSTON, MASS., *February 19, 1909.*

Hon. ADIN B. CAPRON, M. C.,
Washington, D. C.

DEAR SIR: Our mill, the Pocasset Worsted Company, is located in your district, and so I am taking the liberty of writing you my views in regard to Schedule K, which I understand is being much discussed by the Ways and Means Committee with a view toward revision. We are of the opinion that for the best interests of our industry it is necessary that Schedule K should not be changed. The worsted-yarn section, which we are most interested in, can not be changed without allowing importations of worsted yarn, and such importations would be injurious to our business. At the present time it is possible to import worsted yarns from 60's up, and I am importing some at the present time for the purpose of establishing a trade in this country on such yarns.

As regards the wool schedule, which, of course, we are dependent on, it is my opinion that it is for the interests of the entire industry that the rate of duty should not be lowered; and I especially believe that the specific duty on wool which is in the present tariff bill should stand. An ad valorem duty, while apparently advantageous if honestly administered, would become a source of danger to the woolen interests if dishonestly administered, and the possibility of fraudulent importation would be so great that it is my opinion that it is not wise to change from specific to ad valorem duty.

Also, it would be advantageous if the Ways and Means Committee were impressed by the fact that business is suffering, and will continue to suffer until some definite decision is arrived at; and we are already feeling the effects of inaction in our business, owing to the fear on the part of the people who buy our material that a disastrous result may come from Schedule K being lowered.

Very truly, yours,

F. C. FLETCHER, *President.*

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DRESS GOODS.

BRIEF SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY IN BEHALF OF THE IMPORTERS OF FRENCH DRESS GOODS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to submit to your honorable body the following remarks:

Considering that it seems to be the object of the revision of the present tariff to establish duties representing the difference in the cost of production in this country and abroad and a reasonable profit for the home industry, the importers of French dress goods beg to solicit the suppression of the specific duty and the reduction of the ad valorem duty of 30 per cent on all plain fabrics, cashmere, serges, whip cord, satins; the duty of 40 per cent ad valorem on fancy dress goods, pure wool, and jacquard, and on tissues of combed wool, silk warp; 20 per cent ad valorem on woolen threads up to 5 francs per kilo, and 25 per cent ad valorem above 5 francs per kilo, and in both cases the suppression of the specific duty.

Trusting that you will give this matter due consideration, we remain, gentlemen,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK.
HENRY E. GOURD, *President.*

WOOL CARPETS.

R. HASSELGREN & CO., CHICAGO, ILL., STATE THAT THE PRESENT TARIFF IS PRACTICALLY PROHIBITIVE ON REGULAR LINES OF WOOL CARPETS.

440 NORTH STATE STREET,
Chicago, February 11, 1909.

Hon. HENRY S. BOUTELL, M. C.,
Washington, D. C.

DEAR SIR: Replying to your favor of the 8th instant, we are unable to quote manufacturers' costs, not having access to their records, and can only state that in handling wool carpets the present tariff rate is prohibitive on the regular lines, and by this we mean carpets 27 inches wide, costing from 75 cents to $2 per yard.

The addition of 60 cents per square yard (making an additional cost of 45 cents to each yard of 27-inch carpet) is most unfair, for where a carpet costs but 50 cents per yard in England and 45 cents is added to it for tariff it is impossible for a dealer to handle this carpet in competition with American-made materials.

We often buy carpets which cost from $8 to $30 per square yard, and on this class of material the addition of 60 cents per square yard is unimportant, especially as these fine grades of hand-tufted carpets are not made in America, while on the cheaper lines of carpets, used by millions of the American people, it does seem unfair to place such an unreasonable duty charge on this grade of fabric which unreasonably protects the manufacturer.

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In revising tariff we would suggest a minimum duty of 10 per cent on 27-inch goods and 25 per cent on the hand-tufted goods.

In addition to the duty, dealers are compelled to pay large freight rates from Europe, and the one item of freight rates ought to put the American manufacturer in a position to more than compete with European manufacturers. The American manufacturers of to-day do not make as good a grade of carpeting as the European mills, and we have felt for a number of years that the American manufacturers were unreasonable in their protecting demands.

If there is anything further we can do to bring this matter to the attention of the Ways and Means Committee, we shall be glad to do so.

Thanking you for your letter, we remain,

Very truly, yours,

R. HASSELGREN & COMPANY,
Per W. C. MOULTON, *President.*

ORIENTAL RUGS.

[Paragraph 379.]

W. & J. SLOANE, NEW YORK CITY, ARE OPPOSED TO PLACING OF HIGHER DUTIES ON ORIENTAL RUGS.

BROADWAY, EIGHTEENTH, AND NINETEENTH STREETS,
New York, March 5, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As importers of oriental and other foreign rugs for nearly a half century, we venture to submit our views herewith as to the rates of duty that should be imposed upon these articles, and express the hope that your committee will not deem it wise or necessary to increase the present rates, which are 10 cents per square foot, and in addition thereto 40 per cent ad valorem. This compound duty has been the equivalent under the Dingley law of an ad valorem duty of 60.01 per cent.

Paragraph 379 of the act of 1897 includes not only oriental rugs, which, strictly speaking, come from China, Japan, India, and the eastern countries of Europe, but also Berlin rugs, which are high-pile, hand-tufted rugs made in Germany; also Aubusson and Savonnerie rugs from France, and Chenille, Axminster, and hand-tufted rugs from Great Britain and Ireland.

The impression prevails that the importations of these goods amount to very much more than the actual statistics of the Treasury Department show. For the fiscal year ending June 30, 1907, the total value of the importations of all kinds of rugs, woven whole for rooms, was only $4,172,734.79, while for the same period it is estimated that the value of all carpets and rugs manufactured in the United States approximated $75,000,000.

Thus it will be seen that the importations of rugs amounted to only about 5 per cent of the value of the domestic production. It can not be urged that such a very small percentage of importations presents any serious competition with the home industry.

The Treasury statistics show that the unit of value of such rugs imported during the fiscal year ending June 30, 1907, was $4.50 per

square yard, which is a much higher cost than 80 per cent of the carpets and rugs made in the United States.

The great majority of manufacturers of carpets and rugs agree that the importations of rugs embraced in paragraph 379 have been a benefit rather than a detriment to the domestic floor-covering business. They have been a fruitful source of supply for designs, patterns, and colorings, which are being constantly copied into American goods, while the artistic and technical merits of the imported goods have done much to educate the public taste and stimulate the demand for higher art in American weaves.

The great difference in price between the imported and domestic rugs destroys at once the force of any argument that imported rugs compete with the domestic goods. Each class of goods has its own constituents, and it would be difficult to persuade a customer who was looking for a domestic rug to pay the great difference in price and take an oriental rug.

Notwithstanding the comparatively small amount (in value) of these goods imported, it has been urged by some of the domestic manufacturers of the cheaper grades of carpets that the foreign rug displaces the home product. As opposed to this view we quote from the testimony of Robert Dornan, esq., of Philadelphia, Pa., before the Industrial Commission, December 20, 1900, as follows:

Mr. Clark. Do you think that the fashion of hard-wood floors and the use of rugs has had an appreciable influence in diminishing the demand for ingrain carpets?

Answer. Not appreciably, because the people whose houses have hard-wood floors as a rule are not the people who use ingrain carpets; they use something higher. If the use of the rug displaces any carpet it is not the ingrain. There is not any question but that the added use of rugs is having an effect in displacing higher grade carpets, but it is so slight that it is hardly worthy of attention. The Treasurer's statistics on that point will be an addition to our reply. They show that the increased volume of imports on carpets is very moderate. That includes the oriental rugs, which are perhaps the largest part of the carpet importations. The increase has only been a moderate one, the totals perhaps $1,750,000 in 1899 and about $2,500,000 in 1900.

(See report of the Industrial Commission, 1901, vol. 14, p. 315.)

It is a significant fact that, without exception, the manufacturers of the highest grades of carpets and rugs in the United States (with which foreign rugs compete, if they compete with anything) are satisfied with the present duties.

The rates under the Dingley Act on these goods were an increase over those of the McKinley Act, and represent the highest duty ever imposed upon this class of goods. Statistics show that the importations have not materially increased in the ten years during which the Dingley Act has been in force, the value of the importations for the fiscal year ending June 30, 1903, being $3,472,669.50, and that for the fiscal year ending June 30, 1907, being $4,172,734.79, an increase of only 16 per cent during the past four years.

While it can not be argued that oriental rugs are among the necessaries of life, yet it can be fairly urged that they serve a very useful purpose, do not displace home manufactures, and at the same time yielded the Government duties for the fiscal year 1907 amounting to $2,503,869.47.

The most popular size domestic rug measures 9 by 12 feet and contains 12 square yards. It will be borne in mind that these rugs are all machine made and are woven mostly in breadths and afterwards sewn together in the form of a rug, while the oriental rugs are all handmade, in one piece, and come in sizes much larger than anything that can be produced in this country.

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It will be remembered that the unit of value of foreign rugs imported during the fiscal year ending June 30, 1907, was $4.50 per square yard. This unit of value was reduced to the low figure of $4.50 per square yard by the large quantity of small pieces selling at retail for from $15 to $30. Had these smaller rugs been eliminated from the computation the unit of value per square yard would not have been less than $10, as the lowest price per square yard at which the larger rugs of the best quality can be imported are as follows:

	Per square yard.
Indias and Berlins	$8.00
Kermanshahs	19.00
Aubussons	18.00
Savonneries	25.00
Axminsters	10.00
Persians	5.50
Mahals	7.00
Turkey	8.00

As against these values we quote below the present wholesale prices of the different weaves of domestic rugs, from which it will be seen that the great difference in cost is a more effectual protection to the American manufacturer than any duties, not entirely prohibitive, that could be levied:

Quality.	Size.	Square yard price.
Wilton	9 by 12	$2.22
Brussels	9 by 12	1.50
Axminster	9 by 12	1.37½
Tapestry	9 by 12	.96
Velvet	9 by 12	1.22
Ingrain	9 by 12	.80

We are largely interested in the manufacture of domestic carpets and rugs, our sales every year, at wholesale and retail, being many times greater than our sales of imported rugs, yet we have no hesitation whatever in saying that we regard imported rugs, to the extent they are likely to be brought in, a benefit rather than an injury to the floor-covering business. In our opinion, the present duties can not be increased without seriously curtailing the importations of foreign rugs, thereby considerably reducing the revenue the Government is now receiving from this source.

The average ad valorem duty under the present law being 60 per cent, a rug costing $1,000 abroad and paying a duty to the Government of $600 is taxed, we think, as much as it should be under a revenue duty. It can not be urged that duties on this class of goods should be protective, as oriental rugs can not be made in this country, and the comparatively small quantity imported does not constitute a menace to any domestic industry. If, then, the duty on imported rugs is to be regarded in the light of a revenue rather than a protective duty, we would point out to your committee that duties can be placed so high that they cease to produce revenues for the Government by keeping the goods out of the country altogether. We think this would be the case if the duties on imported rugs are increased, and we respectfully urge that paragraph 379 of the Dingley law be reenacted without change.

Respectfully submitted.

W. & J. SLOANE,
By GEO. MCNEIR, *Vice-President.*

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SCHEDULE L—SILKS AND SILK GOODS.

SPUN SILK YARNS.

[Paragraph 385.]

SIDNEY BLUMENTHAL, NEW YORK CITY, STATES THAT THE SPUN SILK DUTIES PROPOSED BY THE SILK ASSOCIATION OF AMERICA ARE AN ADVANCE.

453 BROOME STREET,
New York, March 1, 1909.

Hon. E. J. HILL, M. C.,
Washington, D. C.

DEAR SIR: Referring to my telephone conversation in the matter of a statement made in February 27 issue of the Journal of Commerce, of New York, and in view of the apparent desire of somebody to present a claim for higher duties on spun-silk yarns, not based on a clear summary of facts, I hasten to draw your attention to pages 732, 733, and 734 of Imports and Duties 1894–1907, compiled by William W. Evans and issued by the Government Printing Office.

The schedule of specific duties submitted by the Silk Association and indorsed by Cheney Brothers—by far the largest, oldest, and most progressive spun-silk producers in this country—is not lower, but higher, considerably higher, than the rate prevailing under the Dingley tariff.

It will be seen that for the period of ten years from 1898 to 1907, contained in the pages above referred to, the highest average market value and the highest rate per pound of duty collected belongs to year 1907.

I attach a table based on these (the Government) figures to prove my contention and can add nothing. These figures speak for themselves. How a rate of duty of 75 cents as a minimum (heretofore only 50 cents in the highest year out of ten years) can be imposed instead of 55 cents proposed by the Silk Association, or a rate of 85 cents (heretofore only 66.9 cents in the highest year out of ten years) can be imposed instead of the 70 cents proposed by the Silk Association (a practical increase of about 50 per cent and 30 per cent, respectively, in the duties), without completely disturbing all industries depending on these yarns, is not easily explained.

Certainly the manufacturers of velvet, who do not now oppose a reduction in the duties on velvets made of schappe, such as the Committee on Ways and Means is planning, could not continue manufacturing and competing under rates favored by these champions of largely increased duties on spun silks. Other lines of silk fabrics will be just as seriously injured unless a very high duty is provided to compensate for any violent advance in duties on these their raw materials.

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It therefore remains to retain the rates now existing under the Dingley tariff and put up with its shortcomings, but only as a lesser evil. A specific duty has so many things to commend it and the schedules proposed by the Silk Association are so generously ample in meeting the protective rates heretofore existing—they are based on the principles adopted by foreign countries and have the intelligent support of the best-equipped spinners in this country—that it would be unfortunate if the Ways and Means Committee should fail to realize how much the schedules proposed by the Silk Association would be a step forward (*a*) in the protection of the spinners here; (*b*) in collecting the revenue for the Government; (*c*) in securing that stability in costs which will best allow the expansion of industries here and of such importations as are supplying them and depending on them.

Yours, very truly,

SIDNEY BLUMENTHAL,
Treasurer Sidney Blumenthal & Co. (Incorporated).

EXHIBIT A.

Importations of spun silk and schappe in 1907.

Valued at (per pound)—	Pounds.	Average value.	Rate.	Equal to (per pound)—	Schedule proposed by silk association for undyed schappe and spun silk.
					Cents.
Over $2.50	273	$2.79	$36.52	$1.02	81 to 95
Over $2	116,000	2.35	36.29	.85¼	81 to 95
Over $1.50	1,159,134	1.79	37.38	.66 3/16	70
Over $1	819,855	1.34	37.34	.50	55
Under $1	450,808	.749	41.71	.31½	35

The duties collected in 1907, as above noted, and reduced to a percentage included also the duties on dyed yarn. In the schedule proposed by the silk association these will be at least 10 cents per pound higher on the dyed weight and much higher on the undyed weight, showing a larger increase in proposed over-existing rates than is indicated in above comparison. Contracts by at least four of the velvet makers out of eight aggregate over 750,000 pounds for the year 1909, as much as is produced in the entire United States, and the likelihood is that all the velvet manufacturers will aggregate 1,500,000 pounds, at prices ranging in 200/2 from $1.65 to $2, foreign cost.

FRED E. KIP, PRESIDENT OF THE SALT'S TEXTILE MANUFACTURING COMPANY, NEW YORK CITY, STATES THAT THE SILK ASSOCIATION SCHEDULE IS AN ADVANCE.

96 SPRING STREET,
New York, March 1, 1909.

Hon. E. J. HILL, M. C.,
Washington, D. C.

DEAR SIR: Hearing that the Champlain Silk Company have proposed a very much higher specific duty on spun silk yarns, claiming that the Silk Association schedule is a reduction in the present law, we sent you telegram on the subject to-day.

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According to the government statistics, the highest average market value and the highest rate per pound of duty collected was in the year 1907. Therefore, taking this very high average of 1907, it shows as given below:

Valued at (per pound).	Pounds.	Average value.	Rate.	Equal to (per pound).	Schedule proposed by Silk Association for undyed schappe and spun silk.
					Cents.
Over $2.50	273	$2.79	$36.52	$1.02	81 to 95
Over $2.00	116,000	2.35	36.29	.85¼	81 to 95
Over $1.50	1,159,134	1.79	37.38	.66 9/16	70
Over $1.00	819,855	1.34	37.34	.50	55
Under $1.00	450,808	.749	41.71	.31¼	35

You will see from this that—

Yarn valued at—	Paid under present law.	Schedule proposed silk association would pay.
	Cents.	*Cents.*
Under $1	31¼	35
Over $1	50	55
Over $1.50	66 9/16	70
Over $2	85¼	81 to 95

There were only 273 pounds imported in value over $2.50.

This proves conclusively that the silk association schedule will collect a higher duty than the present law, particularly so as a great deal of this material came in in the dyed state, and the silk association schedule given above is figured on the grey state, and a difference of 10 cents per pound additional would be paid for any dyed yarns; then, if they are on beams or warps, and dyed, it would be 20 cents per pound additional, so that there is absolutely no question about the silk association schedule collecting a higher duty than the present law.

If, after receipt of this information, the Ways and Means Committee have any doubt on this subject, a delegation of the silk and velvet manufacturers would like to come to Washington and prove beyond question of doubt that the silk association schedule is an advance and not a decline in the present law. Furthermore, this silk association schedule was adopted after many conferences between the silk and velvet manufacturers and spinners of the yarn.

I await your information as to whether the committee would like further proof regarding this matter, and remain,

Very truly, yours,

FRED E. KIP,

President The Salt's Textile Manufacturing Company,
Makers of Velvets, Seal Plushes, and Plushes.

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SILKS AND VELVETS.

THE IMPORTERS OF SILKS AND VELVETS RECOMMEND THE ADOPTION OF SPECIFIC RATES OF DUTY.

NEW YORK CITY, *February 23, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We, as a committee representing the importers of silks and velvets, desire to call your attention to several paragraphs in the schedule presented to you by the Silk Association of America.

First, we desire to reiterate that any changes made in the new tariff shall be predicated upon the assessment of specific rates only.

We wish to protest most earnestly against the proposed rates in paragraph 386—velvets, plushes, and other pile fabrics—which rates, if enacted, would be an absolute prohibition of the importation of almost all goods of this class, and which rates are from 40 per cent to 100 per cent higher than the present existing rates. As 90 per cent of silk velvets imported weigh less than 6¼ ounces per square yard, the rate proposed of $3.20 per pound on 90 per cent of all importations would be, under this class, prohibitive.

We herewith submit you below a schedule which comprises a large proportion of qualities now imported, giving you the weight per square yard of each quality, the percentage rate of duty under existing tariff, the percentage rate of duty under the proposed schedule of the Silk Association of America, and the percentage rate of duty as we pray you may be enacted.

Quality.	Weight per square yard.	Rate of duty under existing tariff $1.50 per pound and 15 per cent.	Rate of duty under proposed change of tariff as suggested by committee Silk Association of America.	Rate as proposed by members of same committee interested in importation of velvets.
	Ounces.	*Per cent.*	*Per cent.*	*Per cent.*
A	5.4	69	128	60
B	5.6	67	113	52
C	5.7	58	93	44
D	5.9	80	139	65
E	6	76	130	61
F	6.13	70	117	55
G	6.9	68	114	54
H	6.13	67	112	53
I	5.8	62	98	46
J	5.3	64	107	50
K	4.7	61	99	46
L	5	55	84	40
M	5.2	55	83	40
N	5.2	53	72	40
O	7.4	72	136	57
P	7.5	70	130	54
Q	8	69	128	54
R	7.4	60	108	45
S	7.3	56	98	41
T	7.9	52	88	40
U	8.7	52	86	40
V	8.6	51	83	44
W	3.7	57	110	41
X	3.93	56	108	41
Y	3.7	52	97	40
Z	2.7	50	72	40
AA	3.6	50	92	40
BB	3	50	82	40
CC	3.1	50	87	40

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Quality	Weight per square yard.	Rate of duty under existing tariff $1.50 per pound and 15 per cent.	Rate of duty under proposed change of tariff as suggested by committee Silk Association of America.	Rate as proposed by members of same committee interested in importation of velvets.
	Ounces.	*Per cent.*	*Per cent.*	*Per cent.*
DD	4.6	62	100	47
EE	4.6	61	94	44
FF	4.4	54	82	40
GG	3.6	50	85	40
HH	4.3	50	72	40
II	4.6	50	75	40

The above schedule does not comprise the enormous quantity of velvets used in the United States and made in the United States, where even the present rate of duty prohibits their importation. This applies to goods selling here from 35 cents to 60 cents per yard.

The schedule submitted to you by the Silk Association of America has been carefully examined and shows the results submitted above. We have the most positive advices from both Germany and France that they are convinced that the schedule of the Silk Association of America means, if enacted, that they will be shut out completely from the markets of the United States. This we do not believe is the intention of our Government.

We respectfully submit herewith the schedule which we propose.

Paragraph 386: Velvets, chenilles, or other pile fabrics, not specially provided for in this act, cut, or uncut, composed of silk, or of which silk is the component material of chief value, weighing not less than 6¼ ounces per square yard, $1.25 per pound; if weighing less than 6¼ ounces per square yard, but not less than 3 ounces per square yard, $1.50 per pound; if weighing less than 3 ounces per square yard, $1.75 per pound.

Plushes, including hatter's plush, cut or uncut, composed of silk, or of which silk is the component material of chief value, if weighing not less than 8½ ounces per square yard, $1 per pound; if weighing less than 8½ ounces per square yard, $1.25 per pound.

Measurements to ascertain widths of goods for determining weight per square yard of the foregoing articles shall not include the selvedges, but the duty shall be levied upon the total weight of goods, including the selvedges.

In distinguishing between plushes and velvets the length of the pile shall be considered. Such goods in the above classification shall be considered as plush in which the length of the pile is 3½ millimeters or more. Such goods shall be classed as velvets in which the length of the pile is less than 3½ millimeters.

Velvet or plush ribbons or other pile fabrics not over 12 inches in width, cut or uncut, of which silk is the component material of chief value, not specially provided for in this act, if containing no silk, except that in the pile and selvedges: If black, $1.50 per pound; if other than black, $1.75 per pound. If containing silk, other than that in the pile and selvedges: If black, $1.75 per pound; if other than black, $2 per pound. If the width is not more than five-eighths of an inch, 35 cents per pound shall be added to the rates per pound for every one-fourth of an inch of which the width is less than five-eighths of an inch.

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Furthermore, we ask you to refer to paragraph 387, woven fabrics in the piece, which we ask for a change in some of the paragraphs as follows:

If weighing more than 1½ ounces per square yard, but not more than 2 ounces, and if containing not more than 20 per cent in weight of silk: If in the gum, should be 60 cents per pound; if ungummed, wholly or in part, or if dyed or printed in the piece, or further advanced in manufacture in any way, should be 70 cents per pound. If containing more than 20 per cent in weight of silk, or not more than 30 per cent: If in the gum, should be 75 cents per pound; if ungummed, wholly or in part, or if dyed or printed in the piece, or further advanced in manufacture in any way, should be 90 cents per pound.

If weighing more than 2 ounces per square yard, but not more than 8 ounces, and if containing not more than 20 per cent in weight of silk: If in the gum, should be 50 cents per pound; if ungummed, wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way, should be 60 cents per pound.

If containing more than 20 per cent in weight of silk, but not more than 30 per cent: If in the gum, should be 65 cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece, or further advanced in manufacture in any way, should be 80 cents per pound.

The rates of the Silk Association of America of the above paragraph relating to goods woven in the piece are much higher than the present rates, and the rates we suggest are very close to those assessed at present. We desire as well that paragraph proposed by Silk Association relative to Jacquard goods to read as follows:

But in no case shall goods made on Jacquard looms, containing more than one color in the filling, pay a less rate of duty than 50 per cent ad valorem.

Respectfully submitted.

A. W. WATSON.
HENRY F. TIEDEMANN.
SAMUEL KRIDEL.

SAMUEL KRIDEL, OF J. KRIDEL, SONS & CO., NEW YORK CITY, SUBMITS STATEMENT RELATIVE TO VELVETS.

47–51 GREENE STREET,
New York, February 26, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In response to your request to give you every information possible, I am mailing you to-day a series of fourteen different qualities of velvets, organzine silk pile that we are in the habit of importing, prices of which we have recently received from Lyon, France.

I am giving you below the number of each quality, weight per meter, weight per square yard, present rate of duty, the percentage of the present rate of duty, the price per pound equal to the present rate of duty, the percentage that these goods will pay if assessed at $1.50 per

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pound, and the percentage at the rate of $3.20 per pound, which the Silk Association of America proposed.

Quality number.	Width.	Weight per meter.	Weight per square yard.	Net value per meter.	Present duty.			Duty per pound equivalent to present rate.	Percentage present duty.	Percentage if duty were to be assessed at $3.20 per pound as proposed by silk association.	Percentage of duty at $1.50 per pound, which I propose.
					15 per cent.	$1.50 per pound.	Total.				
	In.	*Grms.*	*Ozs.*						*Per ct.*	*Per ct.*	*Per ct.*
1600	18	75	4.9	$0.378	$0.0568	$0.2480	$0.3048	$1.85	81	140	65½
1601	18	76	4.9½	.393	.0589	.2510	.3099	1.85	79	137	64
1602	18	77	5	.408	.0612	.2550	.3162	1.86	77½	134	62½
1603	18	78	5.1	.423	.0634	.2580	.3214	1.87	76	131	61
1604	18	79	5.1½	.439	.0656	.2610	.3266	1.87	74½	127	59½
1605	18	78	5.1	.454	.0680	.2580	.3260	1.89	72	122	57
1606	18	78	5.1	.476	.0711	.2580	.3291	1.84	69	121	56½
1607	18¾	83	5.2	.50	.0748	.2750	.3498	1.90	70	118	55
1608	18¾	88	5.5	.53	.0792	.2910	.3702	1.90	70	118	55
1609	18¾	83	5.2	.575	.0862	.2750	.3612	1.97	63	103	48
1610	18¾	86	5.4	.605	.0950	.2850	.38	2.00	63	100	47
1611	18¾	77	4.8½	.65	.0974	.2550	.3524	2.00	52½	84	39½
1612	18¾	77	4.8½	.689	.1030	.2550	.3580	2.10	52	79	37
1613	18¾	77	4.8½	.605	.1040	.2550	.3590	2.13	52½	78	36½

The values as given you are absolutely accurate, having just received the selling prices from one of the best manufacturers abroad. This is absolutely accurate. You will also find that the figures in all instances above given you are also absolutely correct. These velvets are what are known as "high-priced organzine pile silk velvets." Spun-silk pile velvets are a great deal cheaper, weigh more, and the percentage of duty would be a great deal more. The latter are absolutely prohibitive at the present rate of duty, and if the duty of $3.20 per pound were to be assessed on the goods which I send you it would also preclude entirely the importation of this class of goods.

Mr. Cheney has remarked that any manufacturer who could not be protected by a duty of 50 per cent has no right to be in business at all. The rate I propose, of $1.50 per pound, makes the duty vary from 65½ to 36½ per cent. There are only three qualities, the very highest priced, that are between 36½ per cent and 39½ per cent. The other eleven qualities, as you see, range between 47 per cent and 65½ per cent. The domestic manufacturers therefore would be amply protected in every way at the rate of $1.50 per pound, which I propose.

I hope this information will give you every opportunity to study this question very minutely, and I pray that it will induce you and your associates to embody in the new tariff bill the rate which I propose.

Yours, very truly,

SAMUEL KRIDEL
(Of J. Kridel, Sons & Co.).

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SILK GOODS.

BRIEF SUBMITTED FOR THE IMPORTERS OF FRENCH SILK BY FRENCH CHAMBER OF COMMERCE, NEW YORK.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to respectfully submit the following remarks concerning the United States tariff on imported silks:

In a general way we consider that the ad valorem system or the ad valorem system combined with the specific as applied to silk goods is absolutely unsatisfactory, as it raises continual discussions, embitters the relations between both countries, and is conducive to the most unfair results. The American customs must have reached the conclusion that they could not gather any decisive information from the inquiries made by their representatives in Europe, in order to ascertain in what way the correct price of merchandise could be established with any accuracy whatsoever.

The importers, on the other hand, however honest they may be, will always experience considerable difficulty in passing imported silk goods through the custom-house on account of differences of opinion as to their value, and the appraisers themselves, notwithstanding all the information at their command, will very often find themselves unable to perform their duty in an equitable way. Therefore we suggest the adoption of a specific single duty with enough categories to classify all silk goods according to their nature, the materials employed, and the weight of the tissue per square yard. This system has been adopted all through Europe with the exception of Holland and Turkey, where the duties remain ad valorem, but at a very low rate of 5 per cent in the former country and 8 per cent in the latter.

In France and in Germany the system adopted is the specific duty, with specializations, and by establishing a sufficient number of such rational specializations a mathematic ready reckoner has been created by means of which all tissues can be automatically classified. Thus disappear all reasons for contentions about the value of such tissue and thereby commercial transactions would be greatly facilitated. On the other hand, if the appraisers were suppressed as far as the examination of the value of the merchandise is concerned their services would still be needed to examine the nature of the tissues, the materials employed, and the weight of the weaves.

We will incidentally remark that by adopting proper denominations in classifying products under a specific duty, negotiations in view of making treaties of commerce or conventions of reciprocity will be greatly facilitated, whilst to-day the generic ad valorem classification of the American tariff and the specific French custom-house denominations render all negotiations exceedingly complicated.

We therefore respectfully request your honorable body to adopt the pure specific system, with enough categories to classify the tissues of pure and mixed silk according to their nature, the materials employed, the weight per square yard, or any other measure conducive to the establishment of equitable duties.

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We wish also to call the attention of your honorable body to the tissues made of schappe, or waste of silk, which are submitted to-day to a very high duty, that the legislators, in framing the Dingley tariff, did not intend to apply to such fabrics, as it was not their intention to assimilate schappe to silk. However, they lost sight of the fact that silk is worth 50 francs per kilo and schappe made from the waste of silk is worth only from 15 to 18 francs per kilo. The difference of values between silk threads and schappe threads is, of course, represented by a similar difference in the value of the tissues, and therefore the legislator who intended to fix a duty of 50 per cent ad valorem on silk has in fact, by the working of combined and specific duties and the abnormal assimilation of schappe to silk, placed on schappe articles an ad valorem duty varying from 53 per cent to 113 per cent, as shown by the inclosed list, to which samples of such tissues are annexed; and such duties, as you will readily understand, are absolutely prohibitive, which was not apparently the intention of the legislators, who did not mean to deprive the federal treasury of the revenue which it would certainly have enjoyed from that source if the duties had been assessed at a reasonable rate.

We are told, it is true, that it is the current opinion in America that schappe and silk threads can not be distinguished from one another, but such a contention is not borne out by the facts.

The schappe thread is made of discontinual sprigs, as cotton or wool thread, whilst the silk thread is made of continual sprigs, as they are constiuted by the natural draw plate of the silkworm.

To verify if the sprigs are continual or discontinual, one needs only to take a thread and untwist it. Any clerk or customs house official, by means of a microscope, can ascertain it. Therefore, the classification of silk and schappe, pure schappe tissues, or tissues of schappe mixed with other materials have been unjustly assimilated to silk tissues, although their value is notoriously inferior to the value of pure silk goods.

We trust that your honorable committee will recognize that the unfair discrimination against schappe tissues is absolutely without any foundation whatsoever and that it was not the intention of the legislator in 1897 to impose prohibitive duties on such fabrics and we request you, therefore, to place them in a special class on a purely specific basis.

Concerning the clause of the administrative act, we ask that the penalty should only be imposed when the appraiser reports that the undervaluation exceeds 10 per cent. Actually, it is collected even for an advance of 1 per cent, which is an absolutely drastic measure, in our opinion, as under such conditions the most honest importer is exposed continually to penalties, as the judgment of the appraiser is by no means infallible. This allowance of 10 per cent is more than justified, as the price paid depends much on the ability of the manufacturer who may have accumulated the raw materials under particularly good circumstances and thereby be able to produce at a lower cost, or who may be satisfied with a smaller profit, or who may have made the sale on better terms, or with some special object in view, so that the present regulations would have for result the imposition of a penalty on the most able manufacturer who produces in the most economical way.

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Trusting that these considerations will appeal to your sense of justice, we remain, gentlemen,

Very respectfully, yours,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

ARTIFICIAL SILK BRAIDS.

[Paragraph 390.]

THE BRAID MANUFACTURERS' ASSOCIATION OF THE UNITED STATES ASKS FOR A PROVISION FOR BRAIDS AND TRIMMINGS OF IMITATION SILK AND METAL THREADS.

WASHINGTON, D. C., *February 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee of Ways and Means,
Washington, D. C.

DEAR SIR: The manufacturers of imitation silk braids, trimmings, etc., and of the same articles composed of metal threads, respectfully desire to call your attention once more to the necessity of making provision in the pending tariff for braids, laces, etc., composed of imitation silk and imitation horsehair, and also braids, laces, etc., composed of metal threads, in order to equalize the foreign and home labor costs. We ask for no more, and under the pledge of our party we are entitled to this much. We present actual figures herewith, the correctness of which the appraiser at New York and Board of United States General Appraisers, who are familiar with foreign and domestic values, can and will confirm.

IMITATION SILK YARNS OR THREADS.

It takes slightly more than 1⅛ pounds of imitation silk thread to make 1 pound of braids, laces, trimmings, etc., owing to the fact that there is a loss of 15 per cent waste material in the fabrication of these articles. Imitation silk yarn or thread is worth abroad 15 marks per kilo, which is equal to $1.62 per pound, or $1.90 for the material used in the manufacture of 1 pound of braids. Add 30 per cent duty, and the cost of the material is $2.47 per pound of braid.

The cost of the imitation silk and the imitation horsehair yarn is 15 marks per kilo, or $1.62 per pound, while the labor wages abroad are not one-half the wages paid in this country. The market value of imitation silk and imitation horsehair braids, laces, etc., abroad is $3 per pound; add to this 60 per cent, and the total duty paid landed price at New York is $4.80 per pound. The cost to the American manufacturers on corresponding braids is $2.47 per pound for materials (including 57 cents per pound for duty), and the cost of fabrication and general expenses is $3.11 per pound, making the total cost of the domestic braid $5.58 per pound, against $4.80 per pound for the foreign. In order to compensate for this difference and permit the American manufacturers to compete at all, the foreigners should pay, in addition to 60 per cent duty, which barely covers the difference in wages, the equivalent of the duty we pay on the material entering

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into the fabrication of braids. As shown, the duty which American manufacturers pay on the imitation silk and the imitation horsehair braids is approximately 60 cents per pound, which, if added to the landed duty paid value of importers' braids, would make $5.40 per pound, while corresponding American-made braids cost $5.58 per pound.

It will thus be seen that the foreign manufacturer would still have an advantage, but that is measurably overcome by the advantage we have in quick deliveries and responsibility to purchasers for imperfect goods.

We are not interested in the manufacture of imitation silk threads or yarns, and although the industry is comparatively new in this country, it is rapidly growing, and we feel that they are entitled to protection—it may be even more than 60 cents per pound. All we ask is that whatever duty is placed on the imitation silk threads or yarns should be added to the 60 per cent protection given to all manufacturers of braids (whether of silk, cotton, or imitation silk or imitation horsehair). Sixty per cent duty is given to manufacturers of wool braids, and in addition thereto its equivalent of the duty paid on wool of which these braids are made, a compensatory duty that is absolutely necessary to place the home industry on the same footing as the foreign. We are entitled to the same protection, and therefore respectfully urge that a new paragraph be inserted in the tariff as follows:

Yarns, threads, filaments, or fibers, of imitation silk or imitation horsehair, by whatever name known, and by whatever process made, sixty cents per pound. Braids, laces, embroideries, galloons, neck rufflings, ruchings, fringes, trimmings, beltings, cords, tassels, ribbons, or other articles or fabrics composed wholly or in chief value of yarns, threads, filaments, or fibers of imitation silk or imitation horsehair, by whatever name known, and by whatever process made, sixty cents per pound, and in addition thereto sixty per cent ad valorem.

If the duty is increased on imitation silk and imitation horsehair yarns, a corresponding compensatory duty in addition to the ad valorem rate of 60 per cent should be given to braids, etc., made of these materials.

TINSEL OR METAL THREADS, ETC.

In paragraph 179 it will be observed that the manufacturers of metal threads made from tinsel wire, lame, or lahn, are given in addition to the ad valorem duty a compensatory duty equal to that levied on tinsel wire, lame, or lahn, of which the metal threads are made. No compensatory duty, however, is given to the manufacturers of braids, etc. This omission was clearly an oversight in the present tariff, and has been extremely disastrous to American industries; indeed, the effect of this omission has been almost fatal, sales of domestic goods being confined almost wholly to supply the immediate wants of the customers who buy regardless of prices. With adequate protection domestic manufacturers are in a position to increase their output enormously, and thus benefit American labor.

The following figures, the accuracy of which can be confirmed by the customs authorities, will show the justice of giving us a compensatory duty equal to that we pay on imported metal thread:

Foreign selling price abroad (of metal threads)	$2.70
Duty at 60 per cent	1.62
Landed value, duty paid, of foreign braids	4.32

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DOMESTIC.

Cost of material abroad	$1.52
Duty at 35 per cent and 5 cents per pound	.58
General expenses and labor, cost of making braids	2.90
Cost of American braids without profit	5.00

The foreign selling price of the completed braid is not much higher than the cost of the material duty paid to domestic braid makers. By adding a compensatory duty of 60 per cent per pound, the foreign value will be $4.92, against $5 home value.

Paragraph 179 should be amended by adding the words "60 cents per pound," so that the duty will be 60 cents per pound and 60 per cent ad valorem. If the duty is increased on metal threads, a corresponding compensatory specific duty in addition to the ad valorem rate of 60 per cent should be given to braids made of these metal threads.

This is but justice, and the preservation of our industries requires that our request be granted.

Respectfully,

BRAID MANUFACTURERS' ASSOCIATION,
HENRY W. SCHLOSS, *President.*

UPHOLSTERY FABRICS.

[Paragraph 391.]

J. H. THORP & CO., NEW YORK, CLAIM SUGGESTED DUTIES ON UPHOLSTERY FABRICS WILL PROVE PROHIBITIVE.

230–232 FOURTH AVENUE,
New York, February 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: As one of oldest and largest firms in the importation and handling of upholstery and drapery fabrics in this country we are naturally interested in the proposed changing of the tariff, particularly on silk fabrics. and we find on perusal of a copy of the proposed silk schedule for the new tariff that the proposed changes affecting a large percentage increases the duty to such a large extent over the present tariff duties that it will make the importation almost, if not entirely, prohibitory. We feel sure such is not the intention of your honorable committee, and in explanation of this letter we beg to submit a few samples of French silk and cotton fabrics that enter into a considerable part of our importations. Under the present tariff these fabrics come under the classification of Schedule L, silk goods, paragraph 391, being Jacquard figured goods, and pay a duty of 50 per cent. The rose color, style siciellenne 9110, costs in France 6.25 francs per meter, less 6 per cent discount, making a net cost of about $1.04 per running yard. The present ad valorem duty of 50 per cent makes the duty 52 cents. Under the proposed silk schedule for the new tariff it appears this fabric would come under paragraph 387, woven fabrics in the piece, weighing more than 2 ounces but not more

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than 8 ounces per square yard and containing more than 40 per cent in weight of silk and having not more than 220 silk threads to the inch in the warp, other than black, $2 per pound. This article, weighing 8.15 ounces per yard, at $2 a pound the duty would be $1.02 per yard, as against the present ad valorem duty of 52 cents a yard. In the green sample inclosed, style Kent No. 9127, the increase is still greater, as the cost is about 93 cents per running yard and the ad valorem duty we now pay is 46½ cents; whereas under the new proposed silk schedule it would come under the $2 a pound as above, and weight 7.75 ounces per yard, at $2 a pound would pay a duty of 97 cents per yard, which, you see, is over 100 per cent. It may be that the specific duty is fairer in some instances, but in our particular business, as exampled above, it certainly is unfair, as it will, if put into effect, be prohibitory on the importation of a large percentage of our goods, and besides being unjust to our particular line of business we think is unfair to the French manufacturers, as we can hardly afford to double the duties as above without causing a protest from the French Government, who, when they find this market shut against them, might be inclined to take some retaliatory measures.

Trusting you will give this matter a consideration, we are,

Very respectfully, yours,

J. H. THORP & CO., *Importers.*

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SCHEDULE M—PULP, PAPERS, AND BOOKS.

PAPER AND PULP.

INFORMATION FURNISHED RELATIVE TO PAPER AND PULP MILLS BY THOMAS HUNTER, FULTON, N. Y.

FULTON, N. Y., *January 28, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The total number of paper mills in the United States is about 600; the total number of ground-wood and sulphite mills, 306.

Estimated investment, $300,000,000; estimated annual business, $250,000,000; estimated annual pay roll, $50,000,000; estimated employees in paper and pulp mills, 75,000; estimated yearly product of paper of all grades, over 4,000,000 tons.

Pulp wood in 1907: Quantity used (domestic), 3,000,000 cords; imported from Canada, 1,000,000 cords; value Canadian, approximately $10 per cord at delivery point in United States. Duty, none; on free list. Increase of imported wood in two years, 50 per cent; increase of domestic wood used in two years, 25 per cent. Exports, none. Amount of domestic pulp wood is less than 2 per cent of the total annual consumption of the United States forests.

Ground-wood pulp in 1907 (mechanical pulp): Quantity used (domestic), 1,300,000 tons; quantity imported (Canadian), 116,000 tons; quantity imported, all others, negligible; value, about $20 per ton at delivery points United States mills. Duty, $1.66 per ton. Exports, none.

Imports from Canada will probably increase. Cheap wood, ample water power, and low freights to United States are necessary, owing to small margin of profit and uncertainty of market. Mostly manufactured by users; small amount manufactured for sale.

Unbleached sulphite pulp in 1908 (chemical pulp): Quantity used (domestic), 1,000,000 tons; Canada, 23,000 tons; Europe, 63,000 tons. Value, from $38 to $44 per ton at delivery points. Duty, $3.33 per ton. Imports have trebled in two years. Exports, none. Quantity sold by domestic mills in 1908, 105,000 tons. Quantity available for sale by domestic mills, 1908, 225,000 tons.

Paper: Duty, news paper, 15 per cent, or about $6 per ton; other grades paper, from wrapping to writing, duty is assessed on quantity or value.

Whole range of duties on paper and products among the lowest.

Material used in paper mills, high rates of duty.

Prices on paper have been ranging lower and rates of labor higher since 1897, except in times of abnormal demand or shortage of material by reason of natural conditions.

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Cost of labor to produce ton of wood papers will average not less than $15 per ton from the tree to the finished product.

Rates of labor abroad at least 50 per cent less than ours and in many cases less.

Duty is necessary to protect American labor.

Respectfully submitted.

THOS. HUNTER.

JOHN NORRIS, NEW YORK CITY, REPRESENTING THE AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION, QUESTIONS WAGE FIGURES SUBMITTED TO COMMITTEE.

904 PULITZER BUILDING,
New York, February 2, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: May I draw your attention to a deliberate misrepresentation by the International Paper Company to the Committee on Ways and Means? I refer to a tabulation sent to you under date of December 19, 1908, by the International Paper Company, purporting to show the hourly rates of wages paid by the International Paper Company and by six Canadian concerns for each occupation in a paper mill. This table was accompanied by a summary wherein the International Paper Company claimed that it paid 57 per cent more for labor than the Canadian mills. The rates so furnished by the International Paper Company are not the rates of wages paid by it.

Many of the figures furnished by it relating to hourly rates of wages paid in Canadian mills are understatements and 136 rates out of 148 rates furnished by it purporting to cover its own pay rolls are overstatements. For pay rolls of other companies there might be some excuse of insufficient information, but for the inaccurate statement of its own pay rolls, what justification can be pleaded? For instance, the International Paper Company claims that it paid 50 cents per hour to machine tenders, and it makes its comparisons with Canada on that basis. It operates 84 machines. It pays as follows:

	Cents per hour.
For 6 machines trimming more than 130 inches	48
For 24 machines trimming 115 inches to 13 inches all speeds, 100 inches to 115 inches, 400 feet	45
For 33 machines trimming 100 inches to 115 inches under 400 feet, 85 inches to 100 inches all speeds, 70 inches to 85 inches, 400 feet	42
For 16 machines trimming 70 inches to 85 inches, under 400 feet	39
For 4 machines trimming less than 70 inches	36
For 1 machine on wrappers	33
Average	42

Prior to August 1, 1908, for a period it paid 50 cents per hour to machine tenders on only 6 machines. It paid less than that rate for the other 78 machines. The average pay of machine tenders for all its machines at that time was 45 cents per hour and never was higher than that figure. As stated, it is now 42 cents per hour.

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In view of such a state of facts, can any one pretend that the declaration of the International Paper Company that it paid and pays 50 cents per hour was made in good faith?

The fabric of comparisons set up by the manufacturers at the hearing on November 21, 1908, is based upon false totals, and the advantage of $2.54 per ton in favor of Canada set up by Mr. Arthur C. Hastings, the president of the American Paper and Pulp Association, was wrong. The figures of his own mill, the Cliff, at Niagara Falls, of which he had personal knowledge, show their falsity. He paid 5 per cent less than the Laurentide Mill. I suggest that you ask the Bureau of Labor for exact information on this subject. Upon the basis of figures of 9 American companies which appear in the reports of the Mann committee and in letters from Canadian companies, the 9 American companies paid an average of 91 cents per hour for the crew of 4 men employed in operating paper machines, or 28 cents per hour less than the 2 Canadian mills. Expressed in percentages, the 2 Canadian mills pay 30 per cent more for work on paper machines than do the 9 American companies.

In face of these totals, the statement of the International Paper Company to your committee, wherein it claimed that it paid 57 per cent more than the Canadian companies, strikes me as worthy of your serious attention. I do not believe a comparison on the basis of the hourly wage is the correct measure of a tariff study. I think the cost per ton is the controlling test. However, I submit the figures in that form at this time because the manufacturers have chosen that method of comparison. The full statement of hourly rates as incorrectly reported to you and the actual rates as now paid are attached.

Yours, truly,

JOHN NORRIS,
Chairman of Committee on Paper.

Occupation.	International Paper Company's statement of its hourly rates.	Actual rates.	
		Hourly basis for those working by day.	Hourly basis for those working on tours.
Wood piling:			
Head piler	$0.2667	$0.19	$0.22
		.20	.23
		.21	.24
		.22	.25
		.23	.26
		.24	.27
		.25	.28
		.26	.29
Wood handler	.2234	.175	.21
Conveyer (man)	.2000	.175	.21
Conveyer (boy)	.1600	.14	.16
Scaler	.2444	.20	.....
River man	.3000	.175	.....
Engineer	.4626	.22	.25
Teamster	.1944	.175	.....
Single team	.3056	.275	.....
Double team	.4444	.375	.....
Water boy	.1389	.14	.....
Wood handling:			
Head wood handler	.3000	.20	.23
		.21	.24
		.22	.25
		.23	.26
		.24	.27
		.25	.28

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Occupation.	International Paper Company's statement of its hourly rates.	Actual rates.	
		Hourly basis for those working by day.	Hourly basis for those working on tours.
Wood handling—Continued.			
Wood handler	$0.2234	$0.175	$0.21
Conveyer man	.2234	.175	.21
Scaler	.2200	.20	.....
River man	.2000	.175	.....
Stepman	.2234	.175	.21
Teamster	.1944	.175	.....
Single team	.3056	.275	.....
Double team	.4444	.375	.....
Wood room:			
Head preparer	.3100	.21 .22 .23 .24 .25 .26 .27 .28 .29 .30	.24 .25 .26 .27 .28 .29 .30 .31 .32 .33
Wood handler	.2234	.175	.21
Conveyer man	.2234	.175	.21
Sawyer	.2505	.19	.22
Barker	.2234	.175	.21
Splitter	.2234	.175	.21
Chipper	.2234	.175	.21
Chip bin	.2234	.175	.21
Knotter	.2234	.175	.21
Waste handler	.2234	.175	.21
Grinders:			
Head grinder man	.3165	.19 .20 .21 .22 .23 .24	.22 .23 .24 .25 .26 .27
Grinder man	.2424	.....	.20 .21
Block handler	.2234	.175	.20 .21
Ground wood screens:			
Screen man	.2234	.....	.20 .21
Sliver man	.2234	.....	.20 .21
Ground wood presses:			
Head pressman	.2979	.....	.23 .24 .25
Pressman	.2234	.....	.20 .21
Decker man	.2234	.....	.21
Acid plant:			
Sulphur burner	.3100	.....	.21
Acid maker	.3100	.23 .24 .25 .26	.26 .27 .28 29
Lime slacker	.3100	.....	.21
Lime handler	.1873	.175	.....
Lower man	.1889	.175	.....
Digesters:			
Cook	.3500	.....	.29 .30 .31 .32 .33 .34 .35
First helper	.2500	.....	.21 .22 .23 .24 .25 .26 27
Second helper	.2100	.....	21
Blow-pit man	.2409	.....	21

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Occupation.	International Paper Company's statement of its hourly rates.	Actual rates.	
		Hourly basis for those working by day.	Hourly basis for those working on tours.
Sulphite screens:			
Screen man	$0.2234	.....	$0.21
Kollergang man	.2234	$0.175	.21
Sulphite presses:			
Head pressman	.3047	.....	.23 .24 .25 .26 .27 .28 .29
Pressman	.2234	.....	.21
Decker man	.2234	.....	.21
Beaters:			
Head beater man	.39	.....	.28 .29 .30 .31 .32 .33 .34
Beater man	.2708	.....	.21
Clay and size man	.2234	.175	.21
Paper machines:			
Machine tender	.50	.....	.48 .45 .42 .39 .36
Second hand	.33	.....	.30 .28 .26 .24 .22 .23
Third hand	.25	.....	.21 .21 .21 .21
Fourth hand	.2234	.....	.21
Fifth hand	.2234	.....	.21
Broke hustler	.2234	.....	.21
Finishing:			
Head finisher	.35	.23 .25 .27 .29 .31 .33 .35	.....
Roll finisher	.2167	.19	.....
Sheet finisher	.25	.20	.....
Counter (man)	.1833	.175	.....
Counter (girl)	.1200	.12	.....
Cutter (man)	.25	.19	.....
Cutter (girl)	.1278	.12	.....
Rewinder	.2778	.175	.....
Weigher	.2444	.20	.....
Marker	.2222	.19	.....
First baler	.2100	.19	.....
Baler	.20	.175	.....
Caser	.1833	.175	.....
Indoor miscellaneous:			
Head paper loader	.3060	.20 .21 .22 .23 .24 .25 .26	.....
Paper loader	.2055	.19	.....
Stock handler	.2641	.175	.21 .20
Weigher	.2234	.175	.21 .20
Carman	.2500	.175	.....
Oil keeper	.2167	.19	.....
Oiler	.2234	.175	.21 .20

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Occupation.	International Paper Company's statement of its hourly rates.	Actual rates.	
		Hourly basis for those working by day.	Hourly basis for those working on tours.
Indoor miscellaneous—Continued.			
Cleaner	$0.2056	$0.175	
Filter man	.2234	.175	$0.21
Night watchman	.1905	18	
Sunday watchman	.2234	21	
Elevator man	.1833	.175	.21
Felt man	.2222	.175	
First core cleaner	.2000	.19	
Core cleaner	.1833	.175	
Sampler	.2222	.175	
Stock saver	.2482	.175	.21
First power-house man	.3385		.31
Second power-house man	.2480		.22
Outdoor miscellaneous:			
Racks	.2234	.175	.21
Barn boss	.2083	.18	
Teamster	.4444	.175	
Single teams	.3333	.275	
Double teams	.4444	.375	
First laborer	.2223	.19	
Laborer	.1833	.175	.21
Gatekeeper	.1889	.175	
Steam plant:			
Engineer	.3125		.24 .25 .26 .27 .28 .29 .30 .31 .32 .33
Engine oiler	.27		.21
Dynamo man	.34	.18	.20 .21 .22 .23
Head fireman	.30		.235
First fireman	.28		.265
Coal fireman	.25		.235
Wood fireman	.25	.235	.235
Coal handler	.2234	.21	.21
Wood handler	.2234	.21	.21
Ash handler	.2234	.21	
Boiler cleaner	.2234	.235	
Repairs:			
Head machinist	.44	.42 .40 .38 .36 .34 .32 .30	
Machinist	.3333	.28 .26 .24 .22	
Helper	.25	.20 .18	
Head millwright	.39	.38 .36 .34 .32 .30	
Millwright	.35	.30 .28 .26 .24 .22	
Helper	.2422	.22 .18 .20	
Carpenter	.3333	.28 .26 .24 .22 .20	

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Occupation.	International Paper Company's statement of its hourly rates.	Actual rates.	
		Hourly basis for those working by day.	Hourly basis for those working on tours.
Repairs—Continued.			
Head piper	$0.3611	$0.36	.....
		.34	.....
		.32	.....
		.30	.....
Piper	.3056	.30	.....
		.28	.....
		.26	.....
		.24	.....
		.22	.....
Pattern maker	.3056	.28	.....
Blacksmith	.34	.32	.....
		.30	.....
		.28	.....
		.26	.....
		.24	.....
Blacksmith helper	.2222	.24	.....
		.22	.....
		.20	.....
		.18	.....
Mason	.4444	.34	.....
		.32	.....
		.30	.....
		.28	.....
		.26	.....
Mason helper	.20	.18	.....
Painter	.28	.26	.....
		.24	.....
		.22	.....
		.20	.....
Painter helper	.1833	.18	.....
Roll grinder	.3333	.30	.....
		.28	.....
		.26	.....
		.24	.....
		.22	.....
Knife Grinder	.25	.20	.....
		.18	.....
Saw filer	.25	.22	.....
		.20	.....
		.18	.....
Draftsmen	.2778	.26	.....
Electrician	.481	.30	.....
		.28	.....
		.26	.....
		.24	.....
		.22	.....
Lead burner	.3333	.30	.....
		.28	.....
		.26	.....
		.24	.....
		.22	.....
Lead burner helper	.1944	.18	.....
Laborer	.1944	.18	.....
Railroad operating:			
Engineer	.26	.26	.....
Fireman	.19	.19	.....
Trainman	.19	.19	.....
First trackman	.21	.21	.....
Trackman	.175	.175	.....
Screen plates:			
Head plate cutter	.3056	.30	.....
		.28	.....
		.26	.....
		.24	.....
		.22	.....
Plate cutter	.222	.20	.....
		.18	.....
Core machine:			
First core maker	.20	.19	.....
Core maker	.1833	.175	.....

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HON. CHARLES L. KNAPP, M. C., URGES THAT THERE BE NO MATERIAL REDUCTION ON PULP AND PAPER.

WASHINGTON, D. C., *February 13, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

MY DEAR MR. PAYNE: Permit me the liberty of addressing you relative to one of the most important industries in my district, and which may be vitally affected by the revision of the tariff now being considered by your committee, namely, the pulp and paper industry, including white paper. In doing this I know I need not in detail call your attention to the hearing before your committee or the arguments and briefs already submitted in favor of retaining the present protective duties on these articles. With all of these both you and the Committee on Ways and Means are familiar.

However, as a Representative of a district which is vitally interested in these industries, I desire to emphasize the necessity of retaining the protective duties on the same and, I may add, of similar industries in northern New York and other portions of the State. There are located in the counties of Jefferson, Oswego, and Lewis pulp and paper mills numbering about 25, involving a capital of from $18,000,000 to $20,000,000 in manufacture in addition to about $11,000,000 in timber lands, with over 4,000 employees and paying in annual wages over $2,000,000.

This will give you an idea of the magnitude and importance of these industries in that section of the State, and I believe it can be substantiated by reliable proof, and, in fact, generally conceded (certainly in that locality), that these industries have during the past few years not shared the general prosperity which has come to many other industries of the country. They have been doing business on a close margin and with small profits; in fact, have been very little, if any, more than self-sustaining. This they have been able to do largely by reason of the present protective duties, which are about one-third of the average duties of the Dingley bill, and substantially the same that they have been for many years in the past.

To remove or materially reduce this protection from these industries would be most disastrous and eventually, as I believe, result in crippling, if not ruining, them.

In this connection I desire to call attention to the fact that while some of these industries have quite extensive timber limits many of them are without such limits. Further than this, nearly all of such industries are dependent upon importations of pulp wood from the Dominion of Canada. I believe that reliable statistics show that there was imported from Canada the past year of spruce about 1,000,000 cords, and of this amount about 100,000 cords were imported into the district I represent. Nearly all of these industries, including those which have timber limits, import large amounts of spruce, thus saving their own timber limits and so conserving the natural resources of the forests.

If the present protective duties should be taken off or materially reduced, or Canada should, as is confidently predicted, put an export duty on logs, it would necessitate these industries providing them-

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selves with a supply of spruce from the timber limits owned in this country. If forced to do this and the amount of timber used averaged that used for the past three years, the supply owned by these industries would be exhausted in about eight years. This will clearly indicate the dependence of a majority of these industries upon importation of spruce; so if the argument for the preservation of the forests is made it is clear that to take off or reduce the present duties would result in forest destruction rather than forest preservation. It would also result, in the near future, in closing these mills, throwing these men out of employment, and, in short, transferring these industries across the Canadian line. This it is feared and believed would be the result.

This being one of, and by far the most important, manufacturing industries in my district, and thus naturally affecting other industries and the entire people of the district, they are vitally interested in maintaining this industry and in such a revision of the tariff as will give to it that reasonable protection which is given to other industries which have demonstrated, as does this, the need for and the continuance of its protection. The fact that it so vitally affects the people I represent prompts this communication and my urgent request for its favorable consideration.

With great respect, I am,

Very sincerely, yours, CHAS. L. KNAPP.

THE AMERICAN PAPER AND PULP ASSOCIATION, NEW YORK CITY, IS FILLED WITH ALARM BY REPORT OF SELECT COMMITTEE ON PULP AND PAPER.

309 BROADWAY,
New York, February 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In presenting the report of the Select Committee on Pulp and Paper Investigation to the House of Representatives, February 19, the chairman of the committee said: "In our opinion, it will meet with the approval of both the Republican and Democratic members of the Committee on Ways and Means, with the approval of the publishers of the country interested in the subject on the one hand and of the mill owners and paper manufacturers on the other hand; that it will meet with the approval generally of the people of the United States on one side of the line and of the people of the Dominion of Canada on the other side of the line."

On the same occasion, Mr. Sims (Democrat), a minority member of the committee, said: "I think this is a report that any Democrat could indorse, and which I hope no Republican or protectionist will repudiate." When it is recalled that the Democratic party stands for either free trade or tariff for revenue only, and that its last platform promised the removal of the duty from pulp and print paper, it is evident that the select committee's report, thus to secure the approval of the Democratic minority members who dissented from the preliminary report made in 1908, must approach very nearly in its recommendations to the principles and wishes of the Democratic

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party, and must of necessity recede correspondingly from the principle of protection, for which the Republican party stands, and from the specific pledge of its last platform that revision would be made on the basis of fair protection to all industries. Repelled by Democratic doctrine and relying upon Republican pledges, the paper industry unequivocally cast its lot with the Republican party in the last election, and we now feel that in all good faith the Republican party now in power should deal with the paper industry on the same principles and with the same fairness as it will deal with the other great industries of the country. If your committee intends to make radical reductions all along the line we will submit without protest to the loss of protection for ourselves; but if you adhere to the Republican platform we feel we have a right to demand impartial treatment as an American industry which has grown up under the principle of protection which the majority of the people of this country have so long indorsed, and that we should not be sacrificed because one branch of our industry happens to depend for the sale of its product upon the newspapers of the country.

That the recommendations of the select committee will receive the approval of the people of Canada we do not doubt. How this can be accomplished, however, consistently with adequate protection to our industry is not apparent. Canada is an aggressive rival in this particular line of business; namely, the manufacture of news print and other kinds of wood-pulp papers. The president of the Dominion forestry association has recently said, "We (the Canadians) want their (United States) paper mills." It is to this feeling, which has been studiously fostered among Canadians, and which has been aided and abetted in many ways, including governmental action, to which the select committee's recommendations must appeal. Why our Government should surrender an industry to another country by legislation which will seriously injure existing industries, discourage and stop domestic development, and foster development of the industry on the other side of the line, is, in our opinion, left altogether obscure. We emphatically dispute the assertion that the crippling of an industry and the ruining of many small communities in the United States would meet with the approval generally of the people of the United States, provided they are in possession of all the facts.

While we can not deny that the recommendations will meet with the approval of the publishers of the country who have been active in their demands for sweeping away the tariff on print paper, we do believe that such action would be disapproved by the very large number of publishers who place justice and principle and the welfare of the country above the promise of personal gain. Only a very small proportion of the publishers of this country have ever taken a positive stand in favor of the removal of the duty from paper. Most of those who have, and indeed all the publishers who have been conspicuous in suggesting and urging this legislation, are owners of Democratic papers, whose principles and beliefs coincide with their desires in this matter. Since we have, by means of the investigation conducted by the select committee and through our appearance before your committee, been enabled to give some publicity to the facts and conditions connected with our business, there has been a very noticeable change in the attitude of even that portion of the press which was outspoken in favor of depriving us of the small protection which we have been

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afforded by the tariff, and we have confidence that the opposition would still further diminish if more light were thrown on the subject. A schedule of inquiries was sent by the select committee to all publishers of daily papers, one of the questions being, in effect, "Are you in favor of the removal of the duty from paper and pulp?" Of about 2,400, only 436, or 18 per cent, voted "Yes," 45 voted "No," and 130 were noncommittal, the balance not being sufficiently interested to fill out and return the schedule. We think it is of the greatest significance that so small a number asked for a change, which supposedly would be to the financial advantage of all. We believe that analysis would show that very few of those who advocated the removal of the duty were publishers of Republican papers, or were actuated by any other consideration than that of selfish personal gain.

As to the attitude of the mill owners and paper manufacturers, we are in a position to be able to state that all branches of the industry are astonished and dismayed at the findings of the select committee, even those on whose products no change in duty is proposed. It is not overstating it to say that those engaged in the manufacture of news-print paper, which is the class directly affected by the changes in the tariff recommended, are aghast at the danger of ruin which confronts them, and all classes are deeply concerned, since they realize that disaster can not come to one branch of the business without demoralizing all the others. They foresee that in the effort for self preservation mills now making news-print paper will be unable to meet the proposed new conditions surrounding the manufacture of news paper and will turn on to the manufacture of wrapping, book, and other grades. Thus the shock will be felt along the whole line. Our industry, at this time of all others, is most unprepared to withstand so radical and so abrupt a change as the select committee suggests. During the past year we have not only suffered from the general industrial depression and financial panic in an uncommon degree, involving reduced earnings and labor troubles, but we have had losses peculiar to our own industry, such as forest fires and unprecedented drought, to say nothing of the disturbing influence and expense and injury to our credit incidental to the investigation to which we have been subjected for a year. And it is not out of place, we feel, to remind you that the charges, made wholly by Democratic publishers, on which this investigation was based, of extortion, monopoly, and conspiracy in the restraint of trade, have all been shown to be false. Practically every one was disposed of very early during the hearings of the select committee, and its preliminary report, we believe, was received on all hands as an exoneration from all such charges. We notice that all reference to improper methods are eliminated from the final report.

The recommendations in this final report appear to be based upon the following chain of reasoning:

That the manufacture of print paper in this country is dependent upon a supply of spruce wood; that the supply of spruce wood in this country is insufficient for all time; that the Canadians, who have an ample supply, may take some action which will prevent us from supplementing our own supply from their forests; therefore, that in order to induce the Canadians to refrain from stopping the exporting of pulp wood, we must open up to them our market for paper.

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The logical result of this would be that in order to get free wood from Canada for the use of our paper mills we must adopt legislation the necessary result of which will be to destroy the paper industry and make it impossible for it to use such wood.

So far as this argument is based upon the desire to get cheap paper for our publishers, we believe that it is equally unsound and is to the last degree unjust.

In that aspect it is clear that this argument is based on the assumption that, regardless of the welfare of the paper industry and of the communities in which it is located in this country and of the labor which is employed; regardless of the general policy of protection and the pledges of the Republican party; regardless of the refutation of the publishers' charges against the paper manufacturers; in fact, regardless of every other consideration whatever, no advance in the price of news paper, no matter how warranted by increase in cost of labor or other industrial conditions, is to be tolerated. In other words, the press is a privileged class, which is to be encouraged at the sacrifice of any and all other interests. As before stated, we believe this is putting the press in a light which, as a whole, they would repudiate.

While it is a fact that with the present processes in vogue spruce wood is indispensable in the manufacture of news print paper, it is also true that it is indispensable in the manufacture of many other kinds of paper the duties on which there is no suggestion of changing, and yet in their preliminary report the committee said: "The Stevens bill does not purport to repeal or change the tariff laws as to any class of paper or paper products except printing paper, although all other kinds of paper are affected by the same natural conditions which have affected the supply and price of printing paper." The recommendations of the final report are glaringly inconsistent in that news print paper, which does not use more than 40 per cent of all the wood that is used in this country for paper making, is singled out to be practically deprived of protection. They are inconsistent in that while the report advocates taking off the duty entirely from ground wood pulp, the duty on sulphite pulp, which uses 50 per cent more wood than the manufacture of ground wood pulp uses, is not to be disturbed, but to remain at $3.33 per ton as against $2 per ton on print paper and free ground wood pulp.

As to the supply of spruce wood available in this country, we believe that the report greatly underestimates it, that it lays too much stress upon the necessity for spruce, and errs in brushing lightly aside other kinds of wood which would become increasingly available should commercial conditions slightly change, and the many other fibers which can be used if the price of spruce wood materially advances. In general, there is no more baseless fear than that this country can not produce enough paper of all kinds from its own sources of supplies for all time to come. There is no commodity of the exhaustion of whose raw material there is less danger. This is obvious from the well-established fact that paper can be made from practically every kind of vegetable fiber. How unwise it is, therefore, to surrender an industry before the necessity has arisen and when its permanency is absolutely assured provided it is not discriminated against.

We have heretofore already demonstrated before your committee that less than 2 per cent, according to government figures, of all the

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wood consumed in this country is used for paper making. It is estimated that the paper makers own about 5,000,000 acres of timber lands in the United States. For the most part these lands are being conservatively handled, with a view to their producing a permanent supply of pulp wood. The owners believe in forest preservation, and with reasonable certainty we can guarantee that if the paper industry can be kept upon a profitable basis the timber lands owned by the mill owners will all be operated by methods approved by the Government Forestry Department, so that the more timber lands that are owned by paper manufacturers the better it will be for the forests of this country. A majority of the holdings are already so operated, as was demonstrated at a conference recently held with Mr. Pinchot, Chief Forester, but unless we are protected from the competition of Canada we can not pursue this course. We will be driven to strip our lands in order to get the cost of production down to the lowest possible point and get back our invested capital.

Cheaper paper means, first, forest destruction in this country, and, second, the dependence of newspapers of this country upon Canada for their supply of paper. On the other hand, adequate protection of our finished product means conservation of our forests. Nor does this mean destruction of Canadian forests, since the wood we get from Canada comes either from crown lands, where cutting is restricted to a minimum size, or from lands owned by settlers who cut off pulp wood in order that the land may be devoted to agricultural purposes.

We agree with the select committee that it is extremely desirable to secure some part of our supply of pulp wood from Canada, but we wholly disagree with them as to the proper method to insure this. We can not see why our Government, instead of properly meeting the discriminations already made against us by Canada, should feel called upon to buy exemption from further discrimination at so great a cost as the ruin of the home industry. We do not believe the Canadians generally would adopt the extreme measure against us of prohibiting the export of pulp wood, as there would be gross injustice in such an act. American paper makers are estimated to control 10,000,000 acres of timber land in the different provinces of Canada. The rights to cut these lands have been mostly bought by us from the provincial governments, either directly or indirectly. It would be practically confiscation to say to us that we can not take out of the country what we already own. These rights are so well established that in many cases they are bonded for large amounts, Canadian bankers themselves looking upon such rights as ample security. If Canada should forbid this country from getting pulp wood, why in equity should we not forbid her from getting from us raw cotton or coal, on which her manufacturers so largely depend? Why should we open our market to her paper when she has a duty substantially equal to our own against our paper?

The select committee's report recommends a duty of only $2 per ton on news-print paper to apply to any province of Canada which does not discriminate against us in the export of pulp wood. The Province of Quebec at present charges us 25 cents more for stumpage upon wood exported than her domestic manufacturers are charged. There is nothing to prevent the Quebec government raising the stumpage charge to the same level for both home and foreign

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consumption by abolishing the rebate of 25 cents per cord paid to the Canadian consumer, thus assuring to the Canadian manufacturer a reduction of $4 per ton in the duty on paper, or a net gain of $3.67½, as a cord and a half of wood will make a ton of paper. By then increasing the stumpage tax by this amount of $3.67½, the Quebec government could absorb all of the benefit from our reduced tariff, resulting in a corresponding increase in the cost of paper in this market. In our opinion, another defect in the proposed arrangement is that it does not finally settle the question of getting cheap wood from Canada, because while Canada might for the time being avail herself of the reduced duties, the penalties for shutting us off from getting wood are so insufficient as to leave it open to her or any of her provinces at any future time, when the industry has been firmly established in Canada and weakened here, to resume interference with exports of wood, paying the higher duties on pulp and paper, and thus increasing their cost to the American consumer. Another objection is that if Ontario elects to maintain her prohibition of the export of wood, she will remain in exactly the position in which she is now, which appears to be perfectly satisfactory to her paper and pulp manufacturers. It is believed that no reasonable concession we can offer will be sufficient to induce her to remove the restriction on wood, and that nothing short of increasing the duty over the present schedule that she has to pay on her pulp and paper coming into this country would be effective to that end.

We claim that free ground wood pulp would deprive our Government of a substantial and increasing revenue. We claim that the duty of only two dollars on print paper, amounting to about 5 per cent, is far below the standard of protection, and even below the standard of tariff for revenue only. We call attention to the inconsistency with the general tariff principle that the duties shall be applied alike to all countries in the absence of treaties to the contrary, whereas it is now proposed to apply different tariffs to different provinces of the same country. We believe that when the retaliatory clause was originally drawn it was intended that Canada should be regarded as a dependency and treated as a whole, so that any discrimination by any part of Canada would be met by retaliation against all of Canada. We believe the tariff should be so amended as to make this principle clear and operative. Canada has an anti-dumping clause which protects her market, and we believe we should have the same protection against her. In short, we advocate so framing our law that any act on her part aimed at injuring this country will automatically bring its own punishment, while fair treatment of us will give her an equal chance with any other country to reach our market.

Following are the provisions which we earnestly recommend to be adopted in revising the tariff; the words in italics indicate the changes from the recommendations of the select committee, eliminated portions being in brackets:

Mechanically ground wood pulp, one-twelfth of one cent per pound, dry weight: Provided, however, That [mechanically ground wood pulp shall be admitted free of duty from] *if* any country *or any* dependency, province, or other subdivision *thereof* [of government which does not] *shall* forbid or restrict the exportation of *mechanically ground wood pulp or wood for use in the manufacture of wood pulp, the importation of mechanically ground wood pulp from such country shall be forbidden or similarly restricted,*

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or *if it* imposes any export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon mechanically ground wood pulp or wood for use in the manufacture of wood pulp, *the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported from such country.*

Chemical wood pulp, unbleached, one-sixth of one cent per pound, dry weight; bleached, one-fourth of one cent per pound, dry weight: Provided, That if any country *or any* dependency, province, *or other subdivision thereof* shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported from such country [dependency or province].

Printing paper, unsized, sized, or glued, suitable for newspaper and books, valued at not above two [and one-fourth] cents per pound, *three*-[one-]tenths of one cent per pound; valued above two [and one-fourth] cents and not above two and one-half cents per pound, *four*-[two-]tenths of one cent per pound; valued above two and one-half cents per pound and not above three cents per pound, five-tenths of one cent per pound; valued above three cents and not above four cents per pound, six-tenths of one cent per pound; valued above four cents and not above five cents per pound, eight-tenths of one cent per pound; valued above five cents per pound, fifteen per centum ad valorem; Provided, That if any country *or any* dependency or province, *or other subdivision thereof* shall impose an export duty or other export charge of any kind whatsoever upon pulp wood, wood pulp, or printing paper exported to the United States, [or if any country, dependency, or province forbids or restricts the exportation of pulp wood, wood pulp, or paper to the United States in any way] there shall be imposed upon printing paper, when imported from such country, [dependency or province] an additional duty [of two-tenths of one cent per pound, valued at two and one-half cents per pound or less, and in addition thereto] *equal to* the amount of the export duty or other export charge imposed by such country, dependency, or province upon printing paper imported from such country into the United States, [."] *or if any country or any dependency, province, or other subdivision thereof forbids or restricts the exportation of pulp wood, wood pulp, or paper to the United States in any way, the importation of paper from such country shall be forbidden or similarly restricted, or if it restricts the price at which print paper may be sold when imported into such country, the price at which print paper exported from such country may be sold in the United States shall be similarly restricted.*

We can not too emphatically state that the recommendations of the select committee fill us with alarm, and we believe if adopted would inevitably be most injurious to our industry, to the country, and ultimately to the consumer.

Very truly, yours,

AMERICAN PAPER AND PULP ASSOCIATION,
ARTHUR C. HASTINGS, *President.*

THE OSWEGO FALLS PULP AND PAPER COMPANY, FULTON, N. Y., STATES THAT ADOPTION OF REPORT OF SELECT COMMITTEE ON PAPER AND PULP WILL BE DISASTROUS.

FULTON, N. Y., *March 1, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We have just read the report of the Mann select committee and are very much surprised, and disturbed as well, for if a report of this kind is adopted and the duty is practically removed on print paper it will result in transferring the manufacture of print paper to Canada.

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There can be no question about this, for raw material can certainly be purchased in Canada and delivered to the paper mill from $3 to $5 per cord less than a mill located in the United States can possibly secure it, principally on account of the excessive and additional freight haul. The freight rates on finished paper, however, are the same from Canada to western points and to many other points as they are from a United States mill located in northern New York and in Maine, so that the mill located in Canada, if no duty is imposed, will be able to make print paper much less. We therefore wired you as follows:

Mann committee report very unsatisfactory. If adopted, will result in transferring industry to Canada.

which we now beg to confirm.

Yours, truly,

OSWEGO FALLS PULP AND PAPER CO.,
H. L. PADDOCK, *President.*

ARTHUR C. HASTINGS, PRESIDENT OF AMERICAN PAPER AND PULP ASSOCIATION, QUESTIONS CERTAIN INFORMATION RELATIVE TO PULP AND PAPER.

50 CHURCH STREET,
New York, March 8, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: On pages 3360 and 3361 of Report No. 42 of the hearings before the Select Committee on Pulp and Paper Investigation, Mr. J. R. Booth, who owns a print mill at Ottawa, Canada, gives cost tables, which, in our opinion, are seriously misleading. While on the face of these figures they indicate a cost of print paper about equal to some of our best mills, upon analysis they prove that the cost is much less than the cost in American mills, as testified to before the select committee.

The cost of sulphite per ton is given as $29.86. It is customary to use 25 per cent of this in making print paper. This would make the cost of this item $7.46, whereas in the table for cost of print paper the item of sulphite appears as $10.45, a difference of almost exactly $3, equivalent to a profit of $12 on every ton of sulphite.

The cost of ground wood pulp is given as $11.37. It is customary to use 80 per cent in making a ton of news print paper, some allowance having to be made for shrinkage. This would make the cost of ground wood pulp for a ton of print paper $9.09, whereas it is given in the table showing the cost of print paper as $11, a difference of nearly $2, equivalent to a profit of approximately $2.50 on every ton of ground wood. This would indicate that the correct cost of paper per ton should be $4.90 less than given by Mr. Booth by reason of these two items alone.

Mr. Booth can therefore afford to sell his paper at $34.11 at the mill, making a fair profit of about $5, or paying $2 duty and $3.60 freight he can sell his paper profitably in the New York market at

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$39.71, which is considerably lower than American paper makers can deliver paper profitably.

Very truly, yours,

ARTHUR C. HASTINGS,
President American Paper and Pulp Association.

SURFACE-COATED PAPERS.

[Paragraph 398.]

NEW YORK IMPORTERS OF SURFACE-COATED PAPERS THINK THAT THE PRESENT DUTIES ARE ADEQUATE.

NEW YORK, N. Y., *January 20, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to statement of manufacturers of surface-coated papers and testimony of Mr. Faber, Saturday, November 21, 1908, in reference to proposed change in Schedule M, paragraph 398, act of June 24, 1897, we would respectfully submit the following in contradiction to some of the statements made by Mr. Faber:

We do not know what imitation flint glazed is, as the paper trade and paper box manufacturers know only two grades, viz, friction glazed and flint glazed.

Friction glazed is made in large quantities by American mills, white being sold as low as $1.10 per ream, light colors as low as $1.60 per ream, and red and green as low as $1.75 per ream, all on a basis of 500 sheets size 20 by 24 inches. It is impossible to import friction glazed, either white or colors, and fully 75 per cent of all glazed paper consumed in the United States is friction glazed of American manufacture and under the present tariff there is no competition possible on this grade of paper, as friction glazed can not be made in Europe to compete with the American paper.

In regard to quality known as "flint glazed" we positively assert that the American manufacturers have decidedly advanced in ability to produce a good grade in this line, and to-day fully 75 per cent of colors produced in flint glazed are positively beyond foreign competition by reason of the superiority of the American make.

As regards white surface-coated papers, the American mills have absolutely the entire market, as under the present tariff no other country can compete with the United States in white surface-coated papers, such as are used in the lithographing and printing trades.

The American coated paper industry has been prosperous in the past ten years. A number of new mills have been started and are still operating, most of the old mills have largely increased their product, and no mills have failed or gone out of business.

It is our opinion that the present duty is more than adequate protection, as it amounts to about 65 per cent ad valorem, and we would respectfully suggest that if any change be made, it be in the nature of lowering the tariff on this grade of paper, as we are of the opinion that a straight specific duty of 2½ cents per pound on sur-

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face-coated and 3 cents per pound on metal-coated papers would be a sufficient protection to the American mills.

Respectfully submitted.

WM. LEYD,
76 Park Place, New York.
A. HARTUNG & CO.,
24 and 26 South Marshall street, Philadelphia, Pa.
CHARLES BECK PAPER CO. (Ltd.),
609 Chestnut street, Philadelphia, Pa.
KUPFER BROTHERS,
120 and 122 Wester street, New York City.
PAUL CZÜHLKE,
320 Broadway, New York City.
H. S. LECLERCQ AND CO.,
54 Duane street, New York City.

SUPPLEMENTAL BRIEF FILED BY THE SURFACE-COATED PAPER TRADE WITH SUGGESTED SCHEDULE.

WASHINGTON, D. C., *February 12, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In tendering this supplementary brief we are fulfilling the instructions of the chairman of the Ways and Means Committee, who called for a copy of our pay rolls, showing the rate of wages paid in the surface coated paper trade for skilled and unskilled labor. The pay rolls from our factories for October, 1907, are herewith inclosed together with the tabulated pay roll made up of averages of the rates of wage paid in the various departments in our factories.

We have chosen the month of October, 1907, as a fair criterion of our average monthly pay roll.

The January pay roll was suggested by your chairman, but as many of us shut down for repairs the first week in that month, October was taken instead.

We also ask your consideration for a schedule carefully prepared for your information, showing the different varieties and classes of surface-coated papers imported and known to the trade, with their costs and relative duties.

At the hearing of the surface-coated paper trade on November 21, 1908, before the Ways and Means Committee, the average weight of a ream of paper was asked by the committee. The ream of imported papers composed of 500 sheets, 20 by 24 inches, weighs on the average 19 pounds.

In asking for a specific duty of 6 cents a pound we are basing our calculations on the imported ream weighing 19 pounds. The change from the present duty of 2½ cents specific and 15 per cent ad valorem to 6 cents specific would increase the duty from 62 cents to $1.14 a ream and increase the cost of the imported paper laid down in this country from $1.81 to $2.33. This difference is simply commensurate with the difference between the cost of material and labor in the foreign and domestic paper.

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The average cost of manufacturing a ream of surface-coated paper in this country is $2.25, as shown on page 6 of the brief submitted by the trade on November 21, 1908. This we market from $2.25 to $2.50 a ream, in competition with the imported product of like quality selling in this country for $1.90 to $2. If this imported paper could not be sold in this country for less than $2.33, which a 6-cent specific duty would accomplish, the domestic manufacturers would have a chance to make a reasonable margin of profit, viz, 8 cents a ream in competition with the foreign goods. In making the statement that 8 cents is a reasonable profit on the ream, it is with the knowledge that the foreign papers are sold abroad on a profit of from 8 cents to 10 cents a ream.

Past experience has shown the almost impossibility to determine a proper market value on surface-coated papers of the cheaper grades especially, and we earnestly petition that absolute specific duties be levied and collected as far as practical upon the weight of the papers, which is the basis of the cost of production of the cheaper grades. Specific duties protect the citizen resident importer who invests capital in merchandise and competes with foreign manufacturers' agents who may profit through absence of dutiable packing charges, extra discounts, etc., which upon merchandise assessed for duties ad valorem are considerable. Furthermore, this specific duty will give us an opportunity to enter our own markets and compete against the foreign product.

The effect on general trade (the consumer) will not show an appreciable increase in cost, as this product is used mostly for covering paper boxes, a large number of boxes being covered by a single ream of paper. A ream of paper will cover about 1,000 shoe boxes. If this ream costs the consumer $2.25, the cost of paper on each box will be 0.225 of a cent; if the cost to the consumer was increased to $2.33, the cost of the box would be increased .008 of a cent (0.233–0.225), or 8 cents per thousand boxes. This is an inappreciable increase in cost to the consumer and means the salvation of the surface-coated paper trade.

Not only are the manufacturers of this product anxious to have a specific duty of 6 cents, but it is a fact that Louis Dejonge & Co., of New York, the largest importer in the trade, as well as a manufacturer, is strongly in favor of this duty.

We will be glad to give your committee any further information you choose to ask for or appear again before you at any time on another oral examination.

We present herewith schedules compiled from the actual records of the importations of surface-coated papers during the year 1907 by Louis De Jonge & Co. (Incorporated), one of our committee, and acknowledged to be the oldest and largest importers of surface-coated papers in this country. These schedules show, with the samples attached, the different varieties of surface-coated papers that are imported and classified under the two divisions of paragraph 398 of the present tariff.

Those coming under the classification "not specially provided for" at present rate of 2½ cents per pound and 15 per cent ad valorem result in an equivalent ad valorem duty of 34.71 per cent, while at the proposed duty of 6 cents per pound the equivalent ad valorem duty would be 50.28 per cent.

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Those coming under the second division of paragraph 398 at the rate of 3 cents per pound and 20 per cent ad valorem at present rate of duty result in an equivalent ad valorem 32.59 per cent, while at the proposed duty of 6 cents per pound and 20 per cent ad valorem the equivalent ad valorem duty would be 45.93 per cent.

The enacting of a tariff assessing a duty of 6 cents per pound and 6 cents per pound and 20 per cent ad valorem, respectively, would much reduce the importations of glazed flints, enameled and imitation gold and silver papers, and gradually result in the reduction of the resulting ad valorem rates to 40.57 and 39.49 per cent, respectively, as shown by our schedules.

The schedule on page 4 of our brief, submitted November 21, 1908, taken from United States customs records, "Imports entered for consumption, year ending June 30, 1907," shows an average ad valorem duty of 44.99 per cent.

Calculated on the basis of ad valorem rates shown in our schedule, surface-coated papers not specially provided for would denote importations of glazed flints, 50 per cent at 60.78 per cent ad valorem; all other classes, 50 per cent at 32.10 per cent ad valorem.

Surface-coated papers (printed), etc., on same schedule, shows an average ad valorem duty of 37.89 per cent, which would denote importations of imitation gold and silver, 40 per cent at 52.10 per cent ad valorem; all other classes, 60 per cent at 29.31 per cent ad valorem.

DOTY & SCRIMGEOUR (Incorporated),
New York, N. Y.
LOUIS DE JONGE & CO. (Incorporated),
New York, N. Y., and Fitchburg, Mass.
WALTHER & CO., *New York, N. Y.*
SPRINGFIELD GLAZED PAPER CO.,
Springfield, Mass.
E. G. LOCKE, *Camden, N. J.*
NEW ENGLAND CARD AND PAPER CO.,
Springfield, Mass.
HOLYOKE CARD AND PAPER CO.,
Springfield, Mass.
UNITED MANUFACTURING CO.,
Springfield, Mass.,
Committee.

EXHIBIT A.

Papers, surface coated, covered, or decorated, not specially provided for in this act, 6 cents per pound; if embossed, printed, or wholly or partly covered with metal or its solutions, or with gelatine or flock, 6 cents per pound and 20 per cent ad valorem.

All manufactures of surface-coated papers, or of which surface-coated papers are a component material, not specially provided for in this act, 6 cents per pound and 35 per cent ad valorem.

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EXHIBIT B.

ANALYSIS OF PAY ROLLS.

In the factories of Doty & Scrimgeour, Louis Dejonge & Co., Walther & Co., and Springfield Glazed Paper Company there were employed in October, 1907:

243 employees, skilled, getting an average weekly wage of	$14.41
328 employees, unskilled, getting an average weekly wage of	8.80
In Germany the skilled workman gets an average weekly wage of	3.24
In Germany the unskilled workman gets an average weekly wage of	2.31

These last averages are taken from German labor table on page 12 of the brief submitted by the surface-coated paper trade, at the hearing before the Ways and Means Committee November 21, 1908.

EXHIBIT C.

Classified pay roll for month of October, 1907.

Doty & Scrimgeour, New York	$5,645.73
Louis Dejonge & Co., New York	15,909.76
Walther & Co., New York	8,284.92
Springfield Glazed Paper Company, Springfield, Mass	2,956.20
Total paid in month of October, 1907	32,796.61

Recapitulated pay roll, classified, of October, 1907, of Doty & Scrimgeour, Louis Dejonge & Co., Walther & Co., and Springfield Glazed Paper Company.

	Employees.	Week.	Month.	Average rate of wage per week.
Administration, store and office, salaries, expenses, etc.			$7,244.12	
Factory superintendents and office force, skilled	30	$806.33	3,439.21	$26.87
Color department, skilled	17	247.84	1,074.75	14.58
Color department, unskilled	42	335.05	1,394.79	7.97
Coating department, skilled	44	502.10	2,118.86	11.41
Coating department, unskilled	67	550.78	1,957.58	8.22
Flint-finishing department, skilled	26	273.78	1,179.88	10.52
Flint-finishing department, unskilled	48	252.02	1,061.40	5.25
Friction finishing department, skilled	31	413.70	1,757.75	13.34
Friction finishing department, unskilled	22	118.65	498.09	5.39
Embossing finishing, skilled	13	130.15	536.34	10.01
Embossing finishing, unskilled	14	107.37	446.01	7.67
Printing department, skilled	4	55.76	232.00	13.94
Printing department, unskilled	5	47.39	193.40	9.48
Cutting and packing department, skilled	52	422.25	1,769.32	8.12
Cutting and packing department, unskilled	73	568.42	2,359.56	7.78
Power and machinery—engineers, skilled	5	109.46	472.30	21.89
Power and machinery—machinists, skilled	9	162.15	648.60	18.02
Power and machinery—firemen, unskilled	9	121.20	510.76	13.47
General labor, unskilled	34	341.41	1,440.59	10.04
Delivery-truck drivers, unskilled	14	178.51	743.35	12.75
Case makers, skilled	12	165.36	697.30	13.78
	571		31,775.96	
Amount not applicable to pay roll (Walther & Co)			1,020.65	
Total paid in month of October, 1907			32,796.61	

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EXHIBIT D.

Classified pay roll for month of October, 1907, Doty & Scrimgeour, surface-coated papers; factory 407 Willoughby avenue, Brooklyn, N. Y.; office 296 Broadway, New York.

	Employees.		Day.	Week.	Month.
	Male.	Female.			
Store and office, clerical salaries, expenses, etc					$1,524.66
Factory superintendents and office force	4		$19.55	$117.30	528.00
Color department, skilled	1		1.89	11.34	51.00
Color department, unskilled	7		9.48	56.88	256.00
Coating department, skilled	8		15.35	92.10	414.36
Coating department, unskilled	14		16.02	96.12	432.32
Flint finishing department, skilled	2		4.62	27.78	124.88
Flint finishing department, unskilled		11	7.78	46.68	210.04
Friction finishing department, skilled	5		9.94	59.64	268.40
Friction finishing department, unskilled	3		3.11	18.66	83.60
Embossing finishing department, skilled	1		2.74	16.44	74.00
Embossing finishing department, unskilled	4		5.59	33.54	150.68
Printing department, skilled	1		2.96	17.76	80.00
Printing department, unskilled	1		1.34	8.04	36.00
Cutting and packing department, skilled	1		2.96	17.76	80.00
Cutting and packing department, unskilled	4	4	9.46	56.76	[illegible]40
Power and machinery, engineer	1		3.41	20.46	[illegible].80
Machinists	0				
Firemen	2		3.93	23.58	[illegible].76
General labor, unskilled	18		28.94	173.64	781.83
Delivery, truck drivers	0				
Case makers	2		3.56	21.36	96.00
Total	79	15			5,645.73

We testify the above to be a true and correct abstract of our pay roll for the month of October, 1907, showing amounts paid and calculated on full working time.

[SEAL.]

DOTY & SCRIMGEOUR,
Per HENRY B. FABER,
Secretary.

NEW YORK, *December 8, 1908.*

EXHIBIT E.

Classified pay roll for month of October, 1907, Louis Dejonge & Co., surface-coated paper department, factory Tompkinsville, N. Y.; office 69–73 Duane street, New York.

	Employees.		Day.	Week.	Month.
	Male.	Female.			
Store and office clerical salaries, expenses, etc					$3,285.80
Factory superintendents and office force	19		$63.14	$378.86	1,515.46
Color department, skilled	6		13.50	81.00	324.00
Color department, unskilled	25		37.65	225.92	903.67
Coating department, skilled	26		46.83	281.00	1,124.00
Coating department, unskilled	34	4	38.61	321.66	926.76
Flint-finishing department, skilled	8		17.33	104.00	416.00
Flint-finishing department, unskilled	29		24.22	145.34	581.36
Friction-finishing department, skilled	15		34.68	208.06	832.35
Friction-finishing department, unskilled	16		11.84	70.99	283.99
Embossing finishing department, skilled	11		16.45	98.71	394.84
Embossing finishing department, unskilled	10		12.30	73.83	295.33
Printing department, skilled	3		6.33	38.00	152.00
Printing department, unskilled	4		6.56	39.35	157.40
Cutting and packing department, skilled	14	18	43.63	261.76	1,047.04
Cutting and packing department, unskilled	20	32	66.11	396.66	1,586.66
Power and machinery:					
Engineers	2		7.00	42.00	168.00
Machinists	6		15.75	94.50	378.00
Firemen	5		11.44	68.62	274.50

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Classified pay roll for month of October, 1907, Louis Dejonge & Co., etc.—Continued.

	Employees.		Day.	Week.	Month.
	Male.	Female.			
General labor, unskilled	11	.....	$17.12	$112.77	$411.10
Delivery:					
Truck drivers	10	.....	19.98	119.88	479.50
Case makers	7	.....	15.50	93.00	372.00
Total	281	54	.....	.....	15,909.76

We testify the above to be a true and correct abstract of our pay roll for the month of October, 1907, showing amounts paid and calculated on full working time.

[SEAL.]

LOUIS DEJONGE & CO.
By C. J. MCLAUGHLIN, *Treasurer.*

EXHIBIT F.

Classified pay roll for month of October, 1907, Walther & Co.; factory, Brooklyn, N. Y.; office, 72 Duane street, New York.

	Employees.		Week.	Month.	Total.
	Male.	Female.			
Store and office salaries	8	1	.....	$1,389.66	.....
Expenses, etc., exclusive interest			.....	1,044.00	
					$2,433.66
Factory superintendents and office force	4	.....	$188.00	846.00	.....
Color department, skilled	8	.....	117.00	526.50	.....
Color department, unskilled		8	31.25	140.62	.....
Coating department, skilled	8	.....	100.00	450.00	.....
Coating department, unskilled		2	10.00	45.00	.....
Flint finishing department, skilled	4	10	109.00	490.50	.....
Flint finishing department, unskilled			.....	.....	.....
Friction finishing department, skilled	10	.....	131.00	589.50	.....
Friction finishing department, unskilled			.....	.....	.....
Cutting and packing department, skilled	4	13	112.23	505.03	.....
Cutting and packing department, unskilled	6	.....	52.00	234.00	.....
Power and machinery engineer	1	.....	25.00	112.50	.....
Machinists	3	.....	56.00	252.00	.....
Fireman	1	.....	14.00	63.00	.....
General labor, unskilled	3	.....	37.00	166.66	.....
Delivery-truck drivers	3	.....	40.00	180.00	.....
Case makers	3	.....	51.06	229.30	.....
	68	32			4,830.61
Not applicable to manufacture of glazed surface-coated papers	.....	.....	.....	.....	1,020.65
Total	.....	.....	.....	.....	8,284.92

October, 1907, 27 working days.

We testify the above to be a true and correct abstract of our pay roll for the month of October, 1907; showing amounts paid and calculated on full working time.

WALTHER & CO.

DECEMBER 18, 1908.

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EXHIBIT G.

Classified pay roll for month of October, 1907, Springfield Glazed Paper Company; factory Springfield, Mass.; office Springfield, Mass.

	Employees.		Day.	Week.	Month.
	Male.	Female.			
Factory superintendents and office force				$76.70	$345.15
Selling expenses	3			45.47	204.60
Color department, skilled	2		$3.21	38.50	173.25
Color department, unskilled	2		1.75	21.00	94.50
Coating department, skilled	2		2.42	29.00	130.50
Coating department, unskilled	13		1.58	123.00	553.50
Flint finishing department, skilled	2		2.75	33.00	148.50
Flint finishing department, unskilled		8	1.25	60.00	270.00
Friction finishing department, skilled	1		2.50	15.00	67.50
Friction finishing department, unskilled	3		1.61	29.00	130.50
Embossing finishing department, skilled	1		2.50	15.00	67.50
Embossing finishing department, unskilled					
Printing department, skilled					
Printing department, unskilled					
Cutting and packing department, skilled	2		2.54	30.50	137.25
Cutting and packing department, unskilled	7		1.50	63.00	283.50
Power and machinery:					
Engineers	1			22.00	99.00
Machinists			4.50		18.60
Firemen	1			15.00	67.50
General labor, unskilled	2		1.50	18.00	81.00
Delivery, truck drivers	1		3.10	18.63	83.85
Case makers					
Total	43	8			2,956.20

SPRINGFIELD GLAZED PAPER CO.,
By WILLIAM H. SHUART, *President.*

EXHIBIT H.

Schedule M, paragraph 398: Surface-coated papers not specially provided for in this act, 2½ cents per pound and 15 per cent ad valorem.

Surface-coated papers at 2½ cents per pound and 15 per cent ad valorem versus 6 cents per pound.

Trade designation.	No.	Foreign cost per ream.	U. S. currency.	Weight, ream, pounds.	2½ cents per pound.	15 per cent.	Total.	Rate ad valorem.	6 cents per pound.	Rate ad valorem.
		Marks.								
Glazed flints	S. 1479	4.25	$1.02	18.67	$0.47	$0.15	$0.62	$60.78	$1.12	$109.80
Enameled tints	A. 254	19.00	4.56	51.00	1.28	.68	1.96	43.00	3.56	78.07
Watered	R. 240	15.75	3.78	26.00	.65	.57	1.22	32.27	2.16	57.12
Embossed	T. 559	16.50	3.96	34.00	.85	.60	1.45	36.62	2.24	56.56
Morocco	B. 138	13.00	3.12	31.00	.78	.47	1.25	40.37	1.86	59.61
Skytogen	Q. 1282	27.50	6.60	37.50	.94	.99	1.93	29.24	2.25	34.09
		Francs.								
Marble wave	D. 2	11.25	2.25	22.00	.55	.34	.89	39.56	1.32	58.66
Marble comb	D. 53	17.35	3.47	23.00	.58	.52	1.10	31.70	1.38	39.77
		Marks.								
Marble comb, fine	D. 228	27.00	6.48	29.50	.64	.97	1.61	24.84	1.77	27.31
Fluroid, fancy	Q. 1402	82.50	19.80	65.00	1.63	2.97	4.60	23.23	3.90	19.70
Opal, fancy	Y. 19	95.00	22.80	47.00	1.18	3.42	4.60	20.18	2.82	12.36
							11)	381.79		553.05
Per cent average								34.71		50.28
Glazed flints and enameled out (per cent average)								30.89		40.57

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If printed, or wholly or partly covered with metal or its solutions, or with gelatine or flock, 3 cents per pound and 20 per cent ad valorem.

Surface-coated papers at 3 cents per pound and 20 per cent ad valorem versus 6 cents per pound and 20 per cent ad valorem.

Trade designation.	No.	Foreign cost, per ream.	U. S. currency.	Weight, ream, pounds.	3 cents per pound.	20 per cent.	Total.	Rate, ad valorem.	6 cents per pound.	20 per cent.	Total.	Rate, ad valorem.
		Marks.										
Fancy gold print	Q269	14.00	$3.36	28.00	$0.84	$0.67	$1.51	44.94	$1.68	$0.67	$2.35	69.94
Fancy floral	21027	117.50	28.20	85.00	2.55	5.64	8.19	29.08	5.10	5.64	10.74	38.08
Fancy marble, gold vein	D471	40.00	9.60	36.00	1.08	1.92	3.00	31.25	2.16	1.92	4.08	42.50
Imitation silver, tin foil	W	8.50	2.04	21.50	.65	.41	1.06	51.96	1.30	.41	1.71	83.82
Imitation gold, gold foil	W	7.35	1.76	19.10	.57	.35	.92	52.27	1.15	.35	1.50	85.25
Imitation metal	Q1634	26.00	6.24	33.80	1.01	1.25	2.26	36.22	2.02	1.25	3.27	52.40
Leaf gold or copper	K	42.50	10.20	16.00	.48	2.04	2.52	24.90	.96	2.04	3.00	29.41
Leaf gold, one-half fine	2½	47.00	11.28	19.00	.57	2.26	2.83	25.09	1.14	2.26	4.40	39.00
Leaf gold, one-half fine, carton	2	100.00	24.00	73.30	2.20	4.80	7.00	29.17	4.40	4.80	9.20	38.33
Leaf silver, one-half fine	2	50.00	12.00	27.00	.81	2.40	3.21	26.75	1.62	2.40	4.02	35.17
Leaf silver, genuine	1	124.00	29.76	28.00	.84	5.95	6.79	22.82	1.68	5.95	7.63	25.64
Leaf silver, genuine, dull	1	211.00	50.64	71.00	2.13	10.13	12.26	24.21	4.26	10.13	14.39	28.41
Gelatine	132	57.00	13.68	32.00	.96	2.74	3.70	27.05	1.92	2.74	4.66	34.06
		Francs.										
Flock or velvet	Red.	100.00	20.00	70.00	2.10	4.00	6.10	30.50	4.20	4.00	8.20	41.00
							14)	456.21				643.01
Per cent average								32.59				45.94
Imitation gold and silver out (per cent average)								29.31				39.49

Samples attached are to illustrate the different classes and varieties of surface-coated papers which are imported in a large variety of colors and effects, other than those shown. Prices named in the schedule include these different variations in colors and effects.

MARBLED PAPER.

[Paragraph 398.]

THE WERNER COMPANY, AKRON, OHIO, RECOMMENDS A SPECIFIC CLASSIFICATION FOR MARBLED PAPER.

WASHINGTON, D. C., *February 4, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: A statement concerning marbled papers, with glazed surface, now taxed under the second subdivision of paragraph 398 as surface-coated papers, wholly or partially covered with metal or its solutions, or the same, not otherwise provided for, taxed at 2½ to 3 cents per pound, and 15 per cent to 20 per cent ad valorem:

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We represent the Werner Company, of Akron, Ohio, which manufactures marbled papers, a schedule of which is attached hereto as an exhibit. This exhibit shows the technical trade names of the various kinds of the product, also sizes, cost to importer, including the tariff, freight, and importer's profit, and the cost to us of the manufacture of each class thereof, as follows:

Make.	Kind.	Size.	Importer's cost.	Our cost.
Belgium	Gold vein A	20 by 25	$10.71	$12.50
Do.	Gold vein B	do	9.76	9.00
Do.	White vein antique	do	7.62	8.00
Do.	Wave spot agate	19 by 30	2.85	8.00
Do.	Special wave and shell	do	5.25	9.00
Do.	Comb	do	4.76	9.00
Do.	do	20 by 25	4.52	9.00
Do.	Special comb	22 by 28	6.19	9.00
German	Boquet comb	20 by 25	8.10	9.00
Do.	do	19 by 30	8.33	9.00
Do.	Agate	20 by 25	8.10	9.00
Do.	Cocoa	do	6.90	9.00
Belgium	Special agate	19 by 30	3.47	7.00

We compete in this manufacture with foreign manufacturers exclusively, there being no other manufacturers of this article in the United States. The countries of France, Belgium, and Germany alone export to this country nine-tenths of the imported article consumed here. England sends us one article only of the kind, and we make none of that in the United States. In Germany and Belgium the manufacture is what is known as a house or home industry, not made in factories, but by adults and children, the members of a family, while ours is the product of skilled artisans, with all the accessories of high-class modern machinery, and necessarily at a high cost. We call attention to the printed brief of the tariff committee of the National Association of Employing Lithographers, filed by them with the Ways and Means Committee at their hearing on November 21, 1908. In said brief is a carefully prepared statement which we adopt as showing the difference of wages between European countries and the United States, and the reasons for the most of that difference. That statement is as follows:

PRESENT TARIFF.

The present tariff is a most inequitable one. It is most crudely devised, not properly divided into classes of work, making it very difficult for the government officers to determine as to what class the work belongs, and on many classes of importation affords absolutely no protection at all.

FROM WHAT COUNTRY DO IMPORTS COME?

From almost all of the states of Europe, paricularly from the German Empire, the reason for this being that the lithographers in Germany receive less wages than those of other states of Europe.

WHY WE SHOULD HAVE REVISION.

Because wages paid in the lithographic industry in the German Empire are, stated broadly, at the rate of 1 mark (say 24 cents) to $1 paid here.

In Germany a lithographic artist is paid 32 to 36 marks ($8 to $9) per week; a man of like ability in this country is paid from $30 to $35 per week.

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In Germany a steam-press printer is paid from 20 to 32 marks ($5 to $8) per week, and from $20 to $35 per week in this country.

In Germany feeders (female labor) are paid from $3 to $4 per week, while the minimum in this country (male labor) is $10.50 per week on the smallest press and running up to $17 per week on the largest press.

A like proportion holds good in every branch of the industry.

The industry in Germany is fostered by states or municipalities. Schools of art and drawing are established and maintained at the cost of the state or municipality, thereby placing more efficient workmen in the trade than is possible at present in this country.

The consumers of our product and the imported article are largely makers of the better class of books, especially marbled or gilt edges and de luxe editions, of which the United States Government Printing Office is one of the largest users. It is not used in the making of the great mass of ordinary bound books. It will be found upon examination that in the making of the better class of books referred to, the marbled paper used by the Government is the cheaper article made by German or Belgian cheap labor, the discrimination against our better article being no doubt on account of the price. We state as a fact that the use of the best and highest priced marbled papers which we produce by the American book-maker, will add to the cost of the book one-fourth of 1 cent per book. Now, while this does not add materially to the selling price of the books, it means everything to the manufacturer of the marbled papers used. It means carrying on the American manufacture of these papers at a profit or a loss; it means success or failure in the effort to establish an industry.

We believe that the facts above stated, and the real facts in the case, require that this industry should be separately scheduled and taxed as an industry by itself, and not under the general schedule as now, under which it is classified in such a way as to afford no protection whatever, and under the continuance of which the industry will necessarily cease to exist. This would result in the dismantling of your memorialist's factories for the purpose of this manufacture, and the discharge of from 60 to 100 men now earning wages which, if the protection of an adequate rate were assured, would be very greatly increased, as the work is largely expert.

We ask, therefore, that you add an item in the paper schedule, paragraph 398 of the present law, as follows, under the head of "surface-coated:"

Marbled paper, glazed and unglazed, hand-dipped or lithographed, weighing not over 20 pounds to the ream, 20 cents per pound and 35 per cent ad valorem; weighing not over 30 pounds to the ream, 25 cents per pound and 35 per cent ad valorem; weighing not over 40 pounds to the ream, 30 cents per pound and 35 per cent ad valorem.

This we believe will result in a protective tariff rate to this young industry which will enable it to compete with the foreign homemade article, which is manufactured in the modest homes of the peasant class in Belgium, Germany, and France by the old people, women, and children.

THE WERNER COMPANY, OF AKRON, OHIO,
By DUDLEY & MICHENER,
FREDERICK C. BRYAN,
Its Attorneys.

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LITHOGRAPHIC PRINTS.

[Paragraph 400.]

LOUIS C. WAGNER & CO., NEW YORK CITY, SUBMIT SUPPLEMENTAL STATEMENT RELATIVE TO CLASSIFICATION OF LITHOGRAPHIC CIGAR LABELS AND BANDS.

NEW YORK, *January 7, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: As a summary to our previous briefs and additional statements on separate sheets herewith, we, on behalf of the few importing firms of cigar labels and bands, respectfully submit the following:

Although the National Association of Employing Lithographers claim to represent 350 factories, there are not more than one dozen producing cigar labels or bands, and those, with one or two exceptions, are located in New York City. Among this dozen we question whether there are more than two or three firms who advocate a change in duties, much less would think of higher rates.

The really principal firm advocating the exclusive rates on labels and bands, not directly but through the national association, is the American Lithographic Company, New York. This company is and has always been known throughout the United States not only by their competitors, but among the cigar manufacturers and cigar-box makers as the trust, and any increased rates would mainly be of benefit to this company and not to the lithographic trade in general.

While the small importation of these goods is confined to 4 or 5 firms, fully 90 per cent of the product is almost exclusively made in New York City.

The National Association comes to your committee with a general statement asking for higher duties, with nothing specific to substantiate their claim, showing not one specimen of a label or band of German make or what it is sold at and what their relative selling price would be for a similar article produced here, but simply relying upon one thing, the difference in scale of wages, which has already been pointed out by others as incorrect. On the other hand, we beg to refer to our testimony before your committee November 21, 1908, and the various samples then submitted, showing that their cost in Germany is practically the same and in some instances even higher than the same designs and workmanship are produced in New York and sold by the domestic lithographer. These figures have since then not been refuted, nor can they be; so it is self-evident that even without any duty at all larger editions can not be imported anyway. And what applies to these particular designs applies to all others under similar conditions and quantities.

The unfortunate part of it is, we have absolutely no protection on our designs. Each and every one can be copied here, and it is done to a great extent for sole reasons given in our testimony November 21, 1908.

Apart from the stupendous rates the National Association, or properly said, the American Lithographic Company, goes even further

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and suggests another 10 cents a pound for embossed designs. They might properly have added this 10 cents originally to their other rates, as all bands, without any exception, and 95 per cent of all imported labels and flaps are embossed.

We are not at all interested in lithographic prints, on which the present duties are an ad valorem equivalent of from 20 to 27 per cent, while on our imports, labels and bands, and more especially labels, it is double and treble.

In our separate testimony added to this we have compiled the total imports of our firm alone from June 30, 1906, to June 30, 1907, showing their ad valorem equivalents, which on all grades of labels are now so excessively high that only small amounts can be imported, and the major part of these represents first editions. The lowest rate is on bronze bands, and we particularly refer to this. As shown in our statement annexed and admitted by the domestic lithographers, they sell these very bands to the cigar manufacturers at 30 cents per 1,000. which is the lowest cost of German goods, including present duty.

Although both lithographic prints and labels are produced by the same process, yet there is this vast difference in rates of duty. For the information of your committee we will state how they came about originally in the Wilson bill. E. P. Dutton & Co., reports that the rates were agreed upon at a meeting between the importers and domestic manufacturers at the instigation of Chairman Jones; true, and just at this particular conference cigar labels and bands were for the first time taken out of the lithographic schedule and provided for separately at higher rates.

Mr. Louis C. Wagner then, as now, was an importer of labels and bands, but was in Europe at that time. He now makes the positive assertion that his representative was not permitted to attend that meeting; that no other firm importing labels did appear excepting one, large importers of lithographic prints, and who at that time also imported cigar labels but evidently found this line not profitable, so sold their entire stock soon after the Wilson bill became a law to the American Lithographic Company. They, the American Lithographic Company, at that time were mainly instrumental in framing the schedule, and to enable them to get the importers of prints to agree to high rates on labels, compromised by accepting lower rates on prints. And this very firm comes along again now and asks for still more.

We believe the time has come when the duties on our goods should be in conformity with those of similar manufacture, by reducing them, especially the 20, 30, and 50 cent rates on labels.

Since we have clearly shown in our first brief and in this summary that domestic goods are made and sold to the trade, at a profit, as low and in some instances lower than the cost in Germany, excluding any duty, we respectfully ask your committee that the rates suggested by us November 21, 1908, be adopted. They were made with all fairness and with more than ample protection to domestic industry, and would enable us to redeem the repeat orders which rightfully belong to us and increase the revenue to the Government.

Respectfully,

LOUIS C. WAGNER & CO.

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NEW YORK, *January 7, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Many statements submitted to your committee since November 21 bearing on cigar labels and bands are so misleading and untruthful that we beg to be permitted to reply to them and place said matters properly before you.

The Forbes Company makes an issue of small-sized labels and what the duty thereon would be, etc., which matter has absolutely no bearing on cigar labels. The sizes of them, without exception, are altogether much greater, the design itself covering about one-half of the label while the other half is simply blank paper.

We are quite sure that the Forbes Company have at no time during their long existence ever produced cigar labels, much less bands; and if this is so, how can they be capable of suggesting any proper rates of duty on them? Their other statements are unworthy of reply.

The statement of imports for the fiscal year ending June 30, 1907, as reaching the sum of $337,016, may be correct, and simply proves that it is not a large amount anyway when compared with the output of these goods in domestic work; and while it is not possible for anyone to give exact figures, it is safe to say that it is at least 90 per cent greater, and this divided by not more than one dozen firms in New York City.

The assertion is made as showing statistics of the custom-house at New York that for the fiscal year ending June 30, 1907, the highest ad valorem equivalent on any imports of cigar labels and bands was only 46.67 per cent and that exactly $12 worth of goods was imported at this high percentage. In answer, we assert positively that the statistics (while we do not have them) can absolutely not show this to be so and that the statement is made with the prime object of deceiving your committee. For this very period we have carefully gone over our imports alone, and here are the amounts, with their ad valorem equivalents, which can be substantiated by our invoices and books:

	Total imports.	Weight.	Duty thereon.	Ad valorem equivalent
		Pounds.		*Per cent.*
Cigar bands in bronze, at 20 cents per pound	$23,486	27,335	$5,467	23.28
Cigar bands in metal leaf, at 50 cents per pound	45,610	30,432	15,216	33.36
Cigar labels printed in less than 8 colors at 20 cents per pound	18,158	11,433	4,322	52.93
Cigar labels printed in more than 8 colors, at 30 cents per pound	10,649	18,254	5,476	51.42
Cigar labels printed in metal leaf, at 50 cents per pound	8,736	14,235	7,117	81.47

As we purchase our goods outright and pay cash for them, the insulting accusation that our invoice values are erroneous is a malignant falsehood on the part of the National Association of Employing Lithographers.

To all other statements on pages 6309 and 6310, beginning, "A set of labels costs about 4½ cents a box, and sometimes more," we assert again that this is absolutely correct for imported goods, and

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that it is only 2 cents per box applies only to domestic goods. Even the cheapest imported labels with trimmings cost over 3 cents per box and the finer grades up to 7 cents.

As we handle only cigar labels and bands, and have done so since 1887, and bands always having been one essential part of our business, the statement that there were practically none imported prior to 1894 or even 1897 is conclusively false.

The domestic lithographers then follow with the assertion that the average cost of bands to the cigar manufacturer is 3 cents for each box of 100 cigars, which is true for domestic work, but not so for the foreign. The lowest selling price for large quantities for German work is from 3½ to 4 cents for bronze printing and double for metal-leaf work. Under their proposed rates for bronze bands only, now at 20 cents per pound, they jump this rate to 70 cents, which means a duty alone of 22 cents per 1,000. Add to this the foreign cost, which, at lowest price, including import expenses, is 24 cents, makes the total cost 46 cents, and yet they say in their own statement that they sell them, including their profit, to the cigar manufacturers at an average price of 30 cents per 1,000.

That our brief was drawn up by two firms of attorneys who have absolutely no knowledge, etc., is too silly for further comment. Of course, it was submitted by them as compiled by us.

We find nothing misleading in our statement that the American cigar labels are invading the foreign markets, nor did we say to what extent. That was merely a reply to their original assertion that they sold absolutely none abroad. Now they say the amounts are very small. We still seriously question the accuracy of their figures of exports, as we are in possession of a letter from our factory in Germany saying that agencies are established in Hamburg, Bremen, and Westfalen, besides Holland and England, for the sale of American labels, and that the exports to Germany alone reach an enormous amount, because of the very small duty, almost too insignificant to name, and also because they are sold in that market at prices at least 25 per cent less than the German goods. We have written our factory to procure statistics of imports into Germany, and if they can be obtained will take liberty in submitting them later.

After having submitted our first brief, November 21, 1908, to the manufacturers abroad, they have corrected us in one particular and are ready to swear to the accuracy of the correction, that a day's run in Germany averages 3,000 sheets, only one or two firms being capable of running 3,500, which is the highest run in any event. As the Forbes Company, in their later brief, December 16, do not deny, nor has it been denied by others since then, that a day's run in America is at least 6,000 sheets, the American lithographers have the advantage over the foreigners in printing alone by fully 100 per cent.

Without going into further detail, we submit a summary of our contention on separate sheets herewith.

Respectfully, LOUIS C. WAGNER & CO.

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THE KENDRICK BOOK AND STATIONERY CO., DENVER, COLO., CLAIMS THAT AN INCREASE OF DUTY ON PICTORIAL POST CARDS IS ABSOLUTELY NECESSARY.

DENVER, COLO., *January 9, 1909.*

Hon. ROBT. W. BONYNGE, M. C.,
Washington, D. C.

DEAR SIR: We thank you for your letter of December 23. Thinking that the Ways and Means Committee was going to take immediate action on the matter of duties upon pictorial post cards imported from abroad, we telegraphed you on the 19th, strongly favoring increased duties on the imported cards. As you say, action by the committee has not been consummated. We therefore take the liberty of writing you more at length. We are not makers of these pictorial post cards, but we are jobbers, and therefore have a strong interest in the subject. We have always handled American-made cards and were the first to introduce the cards on a large scale in this part of the country. After a market had been worked up for these American cards, the German importations commenced to arrive, and the result has been steadily falling prices ever since. In spite of this, the total of our business in this commodity has been less the last three years than it was before, and the trade laterally has become so demoralized by the flood of German importations that it is no longer profitable for us to market the American article at the prices we have to make, and we are seriously considering giving up the jobbing of the American cards altogether.

Naturally we are reluctant to do this after having once worked up a trade and borne the brunt of the expense of introducing this article to the trade. The foreign-made cards are no better in any particular, and the question is entirely one of prices, in which the American houses seem unable to compete with the foreign makers.

We hope the committee will decide to establish a very material increase in the tariff rate upon pictorial post cards and suggest that a duty based upon that assessed for decks of playing cards would be a satisfactory basis for a duty upon post cards, assuming that the percentage would be established by the committee in proportion to the value of the article.

Yours, respectfully,

THE KENDRICK BOOK AND STATIONERY CO.
By C. A. KENDRICK.

THE NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS FILES AFFIDAVITS COMPARING WAGES IN GERMANY AND WAGES PAID IN THE UNITED STATES.

52 EAST NINETEENTH STREET,
New York, January 21, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the tariff hearings of Saturday, December 26, 1908, W. Wickham Smith states:

During the recent strike of lithographers in this city the employers made every ffort to persuade European artists to come to America, offering them special induce-

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ments. These artists investigated the matter of relative wages in their own country and in this, and not a single one of them was induced to run away from the starvation wages abroad.

This statement is so at variance with the truth that it would almost seem as if it was made with the purpose of misleading your honorable committee, and in substantiation of this we beg to inclose you affidavits from lithographic artists who did come to the United States, giving up their "starvation wages abroad" and accepting the bountiful American wages which they are now receiving.

This is, we think, a refutation of W. Wickham Smith's charge, and if he is as inaccurate in all his other statements as he is in this one his brief can be of little service to you in elucidating the truth.

Respectfully, yours,

TARIFF COMMITTEE, NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS.
ROBERT M. DONALDSON.
HORACE REED.
GEO. R. MEYENORD, *Chairman.*

EXHIBIT A.

STATE OF OHIO,
County of Hamilton, } *ss:*
City of Cincinnati,

Hugo Spenkoch, being duly sworn, deposes and says:

I am a lithographic artist and was employed as such by various firms ten years. Two years prior to coming to the United States was employed at the Metal Industrial Works, Meissen, Saxony, at 40 marks ($9.25) received as regular wages, per week of forty-eight hours.

From November 6, 1908, to present I have been employed by the Henderson Lithographing Company of the city of Cincinnati, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said The Henderson Lithographing Company have been $25 per week of forty-eight hours.

HUGO SPENKOCH.

Sworn to before me this 19th day of January, 1909.
[SEAL.] SANFORD KLEIN, *Notary Public.*

My commission expires January 29, 1911.

EXHIBIT B.

STATE OF OHIO,
County of Hamilton, City of Cincinnati, ss:

Jacob Habermann, being duly sworn, deposes and says:

I am a lithographic artist and was apprenticed to S. Borig, Furth, Bavaria; worked for them eight years; for eighteen months prior to May, 1908, for Wassankampf & Rabby, Hanover, and received as regular wages the sum of 30 marks ($6.93¾) per week of forty-eight hours.

From June 30, 1908, to present I have been employed by The Henderson Lithographing Company, of the city of Cincinnati, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said The Henderson Lithographing Company have been $20 per week of forty-eight hours.

JACOB HABERMANN.

Sworn to before me this 19th day of January, 1909.
[SEAL.] SANFORD KLEIN, *Notary Public.*

My commission expires January 29, 1911.

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EXHIBIT C.

STATE OF OHIO,
County of Hamilton, City of Cincinnati, ss:

Martin Soemmerling, being duly sworn, deposes and says:

I am a lithographic artist and was employed as such by the firms of Brockhaus, Leipzig, 1898 to 1902; Hagelberg, Berlin, 1892 to 1896; Albert & Co., Munchen, 1896 to 1898; and received as regular wages from 45 to 50 marks ($10.41 to $11.56) per week of forty-eight hours.

From September 9, 1908, to present I have been employed by The Henderson Lithographing Company of the city of Cincinnati, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said The Henderson Lithographing Company have been $30 per week of forty-eight hours.

MARTIN SOEMMERLING.

Sworn to before me this 19th day of January, 1909.

[SEAL.] SANFORD KLEIN, *Notary Public.*

My commission expires January 29, 1911.

EXHIBIT D.

STATE OF OHIO,
County of Hamilton, City of Cincinnati, ss:

Frank Stoehr, being duly sworn, deposes and says.

I am a lithographic artist and was employed as such by the firm of Horstmeyer, at Berlin, apprentice two years and as a journeyman two years; came to United States in 1904 and received as regular wages the sum of 30 marks ($6.93¾) per week of forty-eight hours.

From November 5, 1907, to present I have been employed by The Henderson Lithographing Company of the city of Cincinnati, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said The Henderson Lithographing Company have been $24 per week of forty-eight hours.

FRANK STOEHR.

Sworn to before me this 19th day of January, 1909.

[SEAL.] SANFORD KLEIN, *Notary Public.*

My commission expires January 29, 1911.

EXHIBIT E.

STATE OF MICHIGAN,
County of Wayne, City of Detroit, ss:

August Falk, being duly sworn, deposes and says:

I am a lithographic pen artist and engraver, and was employed as such by the firm of Wasserkampf & Robby at Hanover, Germany, from 1903 to 1905, and have worked for a number of years at said business with other firms in Germany; that I received as a regular wage from above-mentioned firm the sum of 25 marks per week of forty-eight hours; that I came to the United States in 1906 and worked for about one and one-half years with the Stecher Lithographic Company, Rochester, N. Y., and since July, 1908, up to the present time with the Calvert Lithographing Company, Detroit, Mich.; that in both said firms I have been doing the same general class of work as that performed by me in Europe as I have specified, and my wages with both of said firms in the United States have been $20 per week of forty-eight hours.

AUGUST FALK.

Sworn to before me this 19th day of January, 1909.

[SEAL.] JULIUS A. OESTREICH, *Notary Public.*

My commission expires May 24, 1909.

EXHIBIT F.

STATE OF MICHIGAN,
County of Wayne, City of Detroit, ss:

Joseph Wyhan, being duly sworn, deposes and says:

I am a lithographic artist, and was employed as such by the firm of Walter Marty, Herisau, Switzerland, from the early part of the year 1900 to the latter part of the year 1902, and previous to that time had worked in other establishments in Europe at said

business, and received as a regular wage the sum of 8½ francs per day of nine hours, which was above the average amount paid, said average being from 6 to 7 francs per day.

For the past six years up to the present time I have been employed by the Calvert Lithographing Company, Detroit, Mich., doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said Calvert Lithographing Company have been $27 per week of forty-eight hours.

JOSEPH WYHAN.

Sworn to before me this 19th day of January, 1909.

[SEAL.] JULIUS A. OESTREICH, *Notary Public.*

My commission expires May 24, 1909.

EXHIBIT G.

STATE OF MICHIGAN,
County of Wayne, City of Detroit, ss:

Peter Young, being duly sworn, deposes and says:

I am a lithographic pressman, and was employed as such by the firm of Burns & Harris, at Dundee, Scotland, from 1892 to 1906, and received at the time of leaving said firm as a regular wage the sum of 35 shillings (sterling) per week of fifty hours, which was 1 shilling more per week than the regular union scale, and was paid me on account of the quality of my work.

From November, 1906, to the present time, January 18, 1909, I have been employed by the Calvert Lithographing Company, of Detroit, Mich., doing the same class of work as that performed by me in Europe, as I have specified, and my wages with the said Calvert Lithographing Company have been $22 per week of fifty-three hours.

PETER YOUNG.

Sworn to before me this 19th day of January, 1909.

[SEAL.] JULIUS A. OESTREICH, *Notary Public.*

My commission expires May 24, 1909.

EXHIBIT H.

STATE OF NEW YORK,
County of Monroe, } *ss:*
City of Rochester,

I, Richard Schmidt, hereby affirm that before I came to the United States, namely, in the year 1907, I was part owner in the lithographic establishment of Schulze & Schmidt, Berlin, N.

In the last few years we paid the following wages per week:

	Marks.
Chromolithographers (average)	33
Pressmen	33
Hand pressmen	30
Reproducers	27

Since coming to the United States I have been employed as a lithographer by the Stecher Lithographic Company and earn on an average $35 per week.

RICHARD SCHMIDT.

Rochester, N. Y., January 11, 1909.

Sworn to before me this 11th day of January, 1909.

OTTO R. ROHR, *Notary Public.*

EXHIBIT I.

STATE OF NEW YORK,
County of Monroe, } *ss:*
City of Rochester,

I, Fr. C. Schröder, being duly sworn, state that prior to my coming to the United States, namely, March, 1907, I was employed in the artist department of the lithographic establishment of Waperkampf & Robby, and that the wages I received while in their employ during the year 1906 were at the rate of 25 marks per week.

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Since my arrival in the United States I have been in the employment of the Stecher Lithographic Company, Rochester, N. Y., and have been receiving an average wage of $20 per week.

FR. C. SCHRÖDER.

January 11, 1909.

On this 11th day of January, 1909, personally appeared before me Fr. C. Schroeder, known by me to be the person who made and subscribed to the above affidavit, and he personally acknowledged to me that he signed the same.

OTTO R. ROHR, *Notary Public.*

EXHIBIT J.

PHILADELPHIA, *January 14, 1909.*

STATE OF PENNSYLVANIA, *City of Philadelphia, ss:*

Carl Brombach, being duly sworn, deposes and says:

I am a lithographic artist, and was employed as such by the firm of Hagelberg, at Berlin, Germany, from 1880 to September, 1907, and received as a regular wage the sum of $9 per week of forty-eight hours.

From October, 1907, to January, 1909, I have been employed by the Ketterlinus Lithographic Manufacturing Company, of the city of Philadelphia, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said Ketterlinus Lithographic Manufacturing Company have been $30 per week of forty-seven and one-half hours.

CARL BROMBACH.

Sworn to before me this 15th day of January, 1909.

[SEAL.] JOHN A. STEER, *Notary Public.*

My commission expires February 2, 1910.

EXHIBIT K.

STATE OF RHODE ISLAND,
County of Providence, City of Providence, ss:

Paul Forkert being duly sworn, deposes and says:

I am a lithograph artist and was employed as such by the firm of Emil Pinkau & C. Akt. Ges., at Leipzig, from February, 1903, to September, 1907, and received as a regular wage the sum of 36 marks per week of forty-eight hours.

From November 8, 1907, to January 14, 1909, I have been employed by the Providence Lithograph Company, of the city of Providence, State of Rhode Island, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with said Providence Lithograph Company have been from $33 to $35 per week of forty-eight hours.

PAUL W. E. FORKERT.

Sworn to before me this 14th day of January, 1909.

[SEAL.] MARCUS M. BURDICK, *Notary Public.*

EXHIBIT L.

STATE OF RHODE ISLAND,
County of Providence. } *ss:*
City of Providence,

John Durst being duly sworn, deposes and says:

I am a lithograph artist and was employed as such by the firm of Ben George & Co., at London, from 1888 to 1890, and received as a regular wage the sum of £2 per week of forty-eight hours.

From March 13, 1895, to January 14, 1909, I have been employed by the Providence Lithograph Company, of the city of Providence, State of Rhode Island, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with said Providence Lithograph Company have been from $25 to $27 per week of forty-eight hours.

JOHN P. DURST.

Sworn to before me this 14th day of January, 1909.

[SEAL.] MARCUS M. BURDICK,
Notary Public.

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EXHIBIT M.

STATE OF ILLINOIS,
County of Cook, } *ss:*
City of Chicago,

Eugen Schubert, being duly sworn, deposes and says:

I am a litho artist and was employed as such by the firm of H. Wettstock (a European firm), at Leipsic, from 1903 to 1904, and received as a regular wage the sum of 40 marks per week of forty-eight hours.

From December 29, 1908, to date, I have been employed by the Edwards & Deutsch Lithograph Company, of the city of Chicago, doing the same general class of work as that performed by me in Europe, as I have specified, and my wages with the said firm have been $25 per week of forty-eight hours.

EUGEN SCHUBERT.

Sworn to before me this 13th day of January, 1909.
[SEAL.]

MAX F. ERNST,
Notary Public.

EXHIBIT N.

STATE OF ILLINOIS,
County of Cook, } *ss:*
City of Chicago,

Gustave W. Kunert, being duly sworn, deposes and says:

I am a litho artist and was employed as such by the firm of Becher & Clauss (an European firm) at Berlin, from 1900 to 1902, and received as a regular wage the sum of 36 to 42 marks per week of forty-eight hours.

From September 28, 1908, to date I have been employed by the Edwards & Deutsch Lithographing Company, of the city of Chicago, doing the same class of work as that performed by me in Europe, as I have specified, and my wages with the said firm have been $25 per week of forty-eight hours.

GUSTAVE W. KUNERT.

Sworn to before me this 13th day of January, 1909.
[SEAL.]

MAX F. ERNST,
Notary Public.

EXHIBIT O.

STATE OF NEW YORK,
County of New York, } *ss:*
City of New York.

Hugo K. A. Boettcher, of the city, county, and State of New York, being duly sworn, deposes and says:

My name is Hugo K. A. Boettcher, and I reside at Thirteenth street and University place, in the city of New York. I am employed as a lithographic artist in the establishment of Julius Bien & Co., 140–142 Sixth avenue, in the city of New York, at a weekly salary of $23.

In the years 1904 and 1905 I was employed in the lithographic establishment of Pinkau & Co., in Leipsic, Germany, at a salary weekly of 28 marks. The salaries of lithographic artists in this establishment were from 25 to 28 marks, 25 marks being the minimum salary of a lithographic artist in accordance with the rules of the lithographic union.

In 1905 and 1906 I was employed in the lithographic establishment of C. Wittstock, in Leipsic, Germany, where I worked on the contract system, earning about the same weekly wage as I did with Pinkau & Co., with a guarantee that my earnings should not be below 22 marks per week. There were employed in this house 20 journeymen artists and 30 apprentice artists.

In 1906 and 1907 I was employed in the lithographic establishment of Roth & Biener, in the city of Munich, Germany. I received a weekly wage of 31 marks, which was the highest wage paid to any lithographic artist in the establishment, which employed 20 lithographic artists, whose average pay was 25 to 27 marks per week.

In the year 1907 I was employed in the lithographic establishment of Stengel & Co., in the city of Dresden, Germany, where I received a weekly salary of 32 marks per week,

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which was the highest salary paid any lithographic artist in this establishment, where the average wage of the lithographic artist was 25 to 30 marks per week.

New York City, January 9, 1909.

HUGO R. A. BOETTCHER.

Witness: WILLIAM BRUCHHAUSER.

Sworn to before me this 9th day of January, 1909.

[SEAL.]

A. S. MEEKER,
Notary Public for Kings County.
(Certificate filed in county of New York.)

EXHIBIT P.

NEW YORK CITY, *January 8, 1909.*

STATE OF NEW YORK,
County of New York, } *ss:*
City of New York,

John Haering, being duly sworn, deposes and says that he is a stipple artist, and was employed by the firm of Fritz Schneller & Co., Nurnberg, Germany, and that during the year 1904 and part of 1905 he was paid a wage of 32 marks per week, working forty-eight hours per week; that during the year 1905 and during the year 1906 and part of the year 1907 he managed a lithographic drawing establishment of his own; and that in the year of 1907 he entered the employment of the American Lithographic Company on a wage of $35 per week, working forty-seven and one-half hours per week.

JOHN HAERING.

Sworn to before me this 8th day of January, 1909.

J. S. CAMPBELL,
Notary Public, Queens County.

(Certificate filed in New York County.)

STATE OF NEW YORK,
County of New York, } *ss:*
City of New York,

I, Henry W. Kupfer, being duly sworn, do hereby depose and say that I am a director of the American Lithographic Company and superintendent of the drawing department of the American Lithographic Company, and do hereby certify that the above statement is correct as to the wages paid by the American Lithographic Company to the above-named party.

HENRY W. KUPFER.

Sworn to before me this 8th day of January, 1909.

J. S. CAMPBELL,
Notary Public, Queens County.

(Certificate filed in New York County.)

EXHIBIT Q.

NEW YORK CITY, *January 8, 1909.*

STATE OF NEW YORK,
County of New York, } *ss:*
City of New York,

August Kürzdörfer, being duly sworn, deposes and says that he is a stipple artist, and was employed by the firm of Fritz Schneller & Co., Nurnberg, Germany, and that during the year 1906 and part of 1907 he was paid a wage of 32 marks per week, working forty-eight hours per week; that in the year 1907 he entered the employment of the American Lithographic Company on a wage of $35 per week, working forty-seven and one-half hours per week.

AUGUST KÜRZDÖRFER.

Sworn to before me this 8th day of January, 1909.

J. S. CAMPBELL,
Notary Public, Queens County.

(Certificate filed in New York County.)

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EXHIBIT R.

STATE OF NEW YORK,
County of New York, } *ss:*
City of New York,

I, Henry W. Kupfer, being duly sworn, do hereby depose and say that I am a director of the American Lithographic Company and superintendent of the drawing department of the American Lithographic Company, and do hereby certify that the above statement is correct as to the wages paid by the American Lithographic Company to the above-named party.

HENRY W. KUPFER.

Sworn to before me this 8th day of January, 1909.

J. S. CAMPBELL,
Notary Public, Queens County

(Certificate filed in New York County.)

THE NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS FILES SUPPLEMENTAL STATEMENT RELATIVE TO LITHOGRAPHIC PRINT INDUSTRY.

NEW YORK, *January 27, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: In the tariff hearings, Saturday, December 26, 1908, W. Wickham Smith states that Mr. Meyercord admits that we control five-sixths of the trade.

No such admission was made, as the corrected hearings will show.

Again, Mr. Smith states:

> It would seem that if it had been confusing, and numerous court decisions had fieen made under it, that the confusion would have been nearly, if not wholly, claribed. Mr. Meyercord's proposition is to introduce an entirely new and complex scale of duties, which would certainly make confusion worse confounded.

In answer to this we beg to point out that wherever clarified, as Mr. Smith puts it, it has been for the benefit of the importers, as will hereafter be shown in this brief.

We deny that our proposed schedule or proposed administrative schedule introduces any entirely new or complex scale of duties. We clarify in every particular the phraseology and the intent and meaning.

Mr. Smith states:

> When Mr. Meyercord suggests there is great confusion in paragraphs which were twice agreed on by all conflicting interests, and which in the first instance were put in form by a tariff expert and a member of the Board of General Appraisers, he ought to cite some proof in support of his assertion.

In support of the statement Mr. Meyercord makes it is only necessary to point to the fact that there is no clear provision to define the appraising of lithographic prints of different thicknesses.

We specifically point to the following decisions showing the ambiguity of the present law: D. A. 4792 (T. D. 22577); G. A. 4959 (T. D. 23169); 138 Fed. Rep., 937 (T. D. 26196); 155 Fed. Rep., 144 (T. D. 28184).

In the verbal hearings before the Ways and Means Committee Mr. Meyercord made the statement in answer to Mr. Crumpacker "that the protection in the Wilson-Gorman Act was greater than in the Dingley law."

This statement at that time should have been further amplified. Time, however, did not permit.

In support, however, of this contention of Mr. Meyercord's, it is but necessary to point out to you G. A. 5168 (T. D. 23849, July 1, 1902).

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This lowers the protection on a large proportion of lithographic importations by erroneous classifications, and thus deprives the lithographic industry of the protection originally intended, as well as the Government of its proper revenue.

We also quote the various Treasury decisions previously listed, which list we duplicate: G. A. 4792 (T. D. 22577); G. A. 4959 (T. D. 23169); 138 Fed. Rep., 937 (T. D. 26196); 155 Fed. Rep., 144 (T. D. 28184); G. A. 5186 (T. D. 23907, July 25, 1902); also quote 154 Fed. Rep., 214 (T. D. 27983, February 15, 1907).

From these decisions it is clearly evident that a large proportion of the protests were decided in favor of the importers, manifestly lowering the tariff. Those hearings clearly prove that the original intent was to have all lithographs classified under paragraph 400, and yet a large proportion are thrown by Treasury decisions and court decisions to a lower rate of duty by classification changes.

This was the original intent and meaning of Mr. Meyercord's statement, that the protection under the Wilson-Gorman Act was greater, as an average, than under the Dingley law.

A further point brought forth is now clearly apparent—that is, there was great ambiguity in paragraph 400, if clearly written—why so many court cases?

Our suggested brief defines logically the different lines and keeps the entire lithographic production within paragraph 400.

In response to Mr. Smith's statement that imports are decreasing we respectfully refer to the statistics of imports, which disprove this statement utterly.

The best answer to Mr. Smith's statement as to wages paid abroad is the various proofs which we have heretofore submitted, which can not be controverted.

Mr. Smith states that our proposed rate on post cards is 30 cents per pound, while in fact our proposed rate is 20 cents per pound, under the division line of exceeding eight one-thousandths of an inch and not exceeding twenty one-thousandths of an inch in thickness. Formerly this rate was 5 cents per pound. Evidently Mr. Smith does not recognize where the post card is classified.

Again, Mr. Smith gives an example, basing the post card at an average weight of 12 pounds to the thousand, while in fact this is a gross error on his part, as they average close to 8 pounds to the thousand; hence his example is 50 per cent too high. And again, his result is totally incorrect, as will be shown by the government statistics, which show that post cards at a duty of 5 cents per pound produced in ad valorem equivalent 13 per cent.

Mr. Smith makes the point that American lithographers can compete with foreign post-card manufacturers, and cites an instance which is utterly unfair and is explained by simply stating that the specific tariff is built up on averages and not individual instances.

We assume that Mr. Smith unfortunately did not see the corrected hearings, hence his statistical quotations are misleading and incorrect.

Respectfully, yours,

TARIFF COMMITTEE, NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS.

ROBERT M. DONALDSON.
HORACE REED.
GEORGE R. MEYERCORD, *Chairman.*
By ROBERT M. DONALDSON.

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LABOR ORGANIZATIONS, REPRESENTING THE LITHOGRAPHIC INDUSTRY, ASK FOR TARIFF PROTECTION.

WASHINGTON, D. C., *February 1, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: The undersigned labor organizations, representing a membership of several thousands of wage-earners, who depend entirely upon the lithographic industry for their livelihood, beg your indulgence and take this opportunity to submit to your honorable committee our views on the tariff question for your consideration.

In so doing we most respectfully express our regrets that circumstances did not permit us to have an opportunity of a public hearing, as enjoyed by the National Association of Employing Lithographers. However, we hasten to assure you that we fully appreciate the stupendous task devolving upon your committee, and feel certain that if time and opportunity would permit, you would readily acquiesce in our request. We therefore accept your very kind invitation, extended through your communication of February 13, 1909, to submit in this manner our opinions on the tariff question, as viewed from the wage-earners' standpoint, feeling assured that they will receive the careful and thoughtful consideration of your honorable committee.

It may be useful to your committee to know that the combined membership of the organizations whose names are affixed to this document represent all the skilled branches of the lithographic industry—viz, poster artists, stipple artists, crayon artists, designers, engravers, transferers, provers, pressmen, feeders, stone and plate preparers, and paper cutters. It also may not be amiss for your enlightenment to inform you that in order to become a competent workman in any of the above-mentioned branches it requires years of constant study and preparation, for which labor our membership receive a compensation which we in our humble opinion consider as being entirely inadequate in proportion to the skill required and the number of years spent in preparation, when one considers the obligation which must necessarily be met in order to meet the ever-increasing high cost of living, to insure us to maintain as near as possible the proper standard of living for American workmen.

For several years past we have noticed with ever-increasing alarm the continual growth of the importation of foreign-made lithographs and the effect which these importations have made upon the decrease of employment of our members. So much so have we felt this evil growing that we have long ago rightfully held that the ever-increasing importation of foreign-made lithographs was the sole cause of our unemployed list growing steadily each year.

This condition alone, in our humble opinion, should prove conclusively that the present tariff on lithographic product is a most inequitable one, and a most serious detriment to the welfare of the American workman engaged in this industry; in fact, it leaves us to-day almost entirely at the mercy of the foreign lithographer, for the present law is so crudely formed that it permits the importer, through various subterfuges, to bring lithographic work into this country at a rate of duty that makes it absolutely impossible for

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the lithographer in this country to successfully compete with his foreign competitor on any grounds whatsoever.

We therefore rightfully contend that the present tariff on imported lithographs, if continued at the present low rate, will inevitably destroy our industry, from which so many thousands of our members and their dependents earn their livelihood, and will be the cause of a great amount of suffering among the many thousands who have spent years of labor in the lithographic industry. We rightfully consider that if our efforts and years of labor is to be properly safeguarded it is necessary that the present tariff on imported lithographs be increased to such an extent that it will enable the workingmen in this industry to successfully compete on an equal basis with the remarkably cheap labor of foreign countries.

In order to do so, we deem it necessary that the following amendment to the present tariff law, as already submitted by the National Association of Employing Lithographers, should become part of the new proposed tariff law:

PROPOSED AMENDMENT TO PARAGRAPH 400.

Lithographic prints from stone, zinc, aluminum, or other materials, bound or unbound, not elsewhere specified, or any article made up in chief value of lithographic prints:

On paper or other material not exceeding six one-thousandths of an inch in thickness, thirty cents per pound.

If embossed or die cut, thirty-three cents per pound.

If both embossed and die cut, thirty-six cents per pound.

Exceeding eight one-thousandths of an inch and not exceeding twenty one-thousandths of an inch in thickness, twenty cents per pound.

If embossed or die cut, twenty-two cents per pound.

If both embossed and die cut, twenty-four cents per pound.

On cardboard or other material exceeding twenty one-thousandths of an inch in thickness, twelve cents per pound.

If embossed or die cut, thirteen cents per pound.

If both embossed and die cut, fourteen cents per pound.

Lithographic labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material:

Labels and flaps, if printed in less than eight colors (bronze printing to be counted as three colors), but not including metal-leaf printing, eighty cents per pound.

Bands printed in less than eight colors (bronze printing to be counted as three colors), but not including metal-leaf printing, sixty cents per pound.

Labels and flaps printed in eight or more colors (bronze printing to be counted as three colors), but not including metal-leaf printing, forty cents per pound.

Bands printed in eight or more colors (bronze printing to be counted as three colors), but not including metal-leaf printing, eighty cents per pound.

Labels and flaps printed in whole or in part in metal leaf and not over five additional printings, fifty cents per pound.

Labels and flaps printed in whole or in part in metal leaf and over five additional printings, seventy-five cents per pound.

Bands printed in whole or in part in metal leaf and not over five additional printings, one dollar per pound.

Bands printed in whole or in part in metal leaf and over five additional printings, one dollar and fifty cents per pound.

For any embossed label, flap, or band, add ten cents per pound.

DECALCOMANIA.

Ceramic prints on simplex paper, two dollars and fifty cents per pound.

Ceramic prints on duplex paper, seventy cents per pound.

Decalcomania backed with metal leaf, seventy cents per pound.

All other decalcomania, forty-five cents per pound.

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If any article in schedule is manufactured of lithographic prints of different thicknesses, the major portion in size shall control the rate.

We recommend that paragraph 398 be amended to exclude all paper printed by lithographic process, so that all lithographic products shall fall within the purview of paragraph 400 as amended herein.

In connection with the above proposed amendments of the present tariff law on decalcomania, we desire to call your attention to the statement made by Mr. Otto Palm, New York, N. Y., in which he is quoted as follows:

We contend that the potter in America can not exist without decalcomania; he must have decalcomania, otherwise he is not in it. If you want to foster and help the pottery industry of America, this committee should put the decalcomania on the free list, instead of increasing the duty, although we do not ask that; we are satisfied as it is to-day.

This statement in itself should prove beyond doubt that a great number of men in this country, one of whom is Mr. Palm, are quite willing to sacrifice any other industry and the labor invested in said industry, provided that the industry which they themselves are interested in is fittingly protected. It is without question of a doubt a most selfish and un-American argument, and we feel certain that your committee will realize and fully appreciate that while it may be important that the pottery industry should be protected, it is also equally so with that of the lithographic industry. Many of our members are now and have been working entirely in the decalcomania line of the lithographic industry, and we feel that their interests should be properly protected under the proposed new tariff law, which would guarantee to this branch of the lithographic industry an equal chance to compete with the decalcomania lithographers of foreign countries, along the lines of equality.

In addition to our indorsement of the proposed amendments of the present tariff law, as submitted by the National Association of Employing Lithographers, we also desire to express our hearty approval and indorsement of the amendment relating to post cards submitted by the Post Card Manufacturers and Allied Trades Association of the United States. The duty should, however, be a specific duty which will produce the ad valorem equivalent asked for by the post card manufacturers. It is as follows:

Post cards, whether in sheets or cut, and whether printed on both sides or not; lithographic, where the majority of colors are printed from stone, zinc, aluminum, or other material, thirty-five cents per pound.

If printed by the three or four color plate process, showing the use of the screen, fifty per centum ad valorem.

If hand painted, one hundred per centum ad valorem.

If made by the photographic process or if printed from glass plates or gelatin, seventy-five per centum ad valorem.

If colored by air-brush process, embossed, or plain, one hundred per centum ad valorem.

If made by photographic process and hand colored, one hundred per centum ad valorem.

If decorated or covered wholly or in part with feathers, hair, cotton, tinsel, plush, silk, metal, or metal products, or any other material whatsoever, one hundred per centum ad valorem.

All other cards not hereinbefore specifically enumerated, one hundred and fifty per centum ad valorem.

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In support of our indorsement to the proposed amendments, we submit the following:

1. A close perusal of the records will show that lithographs in the sum of $7,000,000 were imported into this country during the fiscal year of 1908, which amount, in consideration of the fact that the total production of lithographs in the United States does not exceed $25,000,000, proves conclusively that the American lithographic employer has a very keen competitor in the lithographic employer of foreign countries. The natural consequence of such competition has enabled the foreign lithographer (through the fact of his remarkably cheap labor in comparison to the American workman) to underestimate the American lithographer wherever he comes in contact with him, with the inevitable result that the foreign lithographic workman has steady employment, while the American lithographic workman is walking the streets seeking in vain for employment. This condition, we most naturally contend, is the result of the inadequate protection afforded to the American workman under the provisions of the present tariff law.

2. We beg of you to believe us when we state that the situation has grown so acute that many of our members who are thoroughly competent workmen (becoming such only after diligent study and careful preparation) have been and are at this present day being compelled to seek other means of a livelihood, due entirely to the unsteadiness of employment in the lithographic industry, and in almost every instance they are forced to accept a rate of wage which is far below that which their skill would entitle them to in their respective branch if sufficient employment could be provided for them, which seems to be impossible under the existing conditions brought about by the present tariff law.

This has happened to a great number of men who had been employed at our trade for a considerable number of years, and it might also be well to state that in making this change our unfortunate members are compelled to seek humbler living quarters; in fact, in many cases those who have been blessed with children have been compelled to send them to work at an early age, so that the family can meet the exigency of the situation. The most unfortunate part of this entire affair, in our humble opinion, is the lost opportunity of the children in being fitted out with an education which would aid them to a large extent in their struggle for a living in this world, hence the necessity of a real protective tariff rate in order to safeguard the interests of the American workman who has invested his labor in our industry.

We sincerely trust that your honorable committee will not imagine for a moment that we are endeavoring to exaggerate this condition; on the contrary, we stand ready whenever it pleases you to furnish specific facts to substantiate the statements made. We again contend that the present tariff law is entirely responsible for this condition, as it places us in direct competition with the poorer paid foreign workman, in consequence of which the foreign lithographic workman works while the American lithographic workman vainly seeks it.

3. In consideration of the fact that Germany is the greatest importer of foreign-made lithographs, we deem it only fitting and proper that a comparison of wages paid in Germany with that paid in this country should be placed before you for your earnest consideration.

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In so doing, it may be well to state that we are fully aware that in the brief submitted by the National Association of Employing Lithographers a comparison of wages has already been submitted to you; but inasmuch as the establishments who are members of the National Association of Employing Lithographers do not employ our members, we deem it necessary that the true comparison can only be brought out by the rate of wages paid by the large number of lithographic establishments who employ our members exclusively, and in connection therewith we trust you will note that these establishments pay a larger rate of wage than that paid by the members of the National Association of Employing Lithographers.

Comparison of wages paid to German lithographic workmen and those paid to American workmen.

	Germany.	United States.
Stiple artist	18 to 35 marks	$20 to $45.
Crayon artist	do	Do.
Engravers	do	Do.
Transferers	do	$22 to $35.
Pressmen	do	$22 to $28.
Feeders	10 to 15 marks (girls and boys)	$12 to $18 (men only).
Press boys	8 marks (girls and boys)	$7 to $8.50 (boys only).
Stone grinders and polishers	12 to 15 marks (not considered skilled laborers).	$16 to $18.
Stone porters	10 to 15 marks	$10 to $15.
Provers	18 to 30 marks	$22 to $40.

Since the $1 of this country is equal to 4 marks in Germany, and as the cost of living in the two countries is in like proportion, it can be readily seen that this condition makes it utterly impossible for the American workingman to successfully compete with the foreign lithographer. The American workman being placed at such an extreme disadvantage has no chance at all, and is entirely at the mercy of his foreign competitor. We therefore are compelled to appeal to our Government for adequate protection.

In this country the workman is taught to live up to certain standards, and in order to do so, he must be adequately paid, it being impossible for him to thrive on the conditions under which the foreign workman exists. Our only hope of protection is through the tariff, and this failing us, will force us to seek other means of livelihood at the enormous sacrifice of our years of labor in the industry, and the years of careful study and preparation required in order to become proficient in it.

You will no doubt note that we refrain from making any comment on the possibility of a reduction of tariff on lithographic goods. We do so for the reason that we consider such an attempt would wipe out, beyond a question of doubt, an industry that has stood for many, many years, and would bring much misery and suffering to the thousands of organized workers and unorganized workers and their dependents, who have invested their years of labor in this industry. It can be truthfully stated that even though the present inadequate protection afforded by a tariff on imported lithographs is continued without any change, it will in time destroy this industry.

The lithographic workman's interest is not only affected by the present tariff rate which places him in direct competition with the

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foreign lithographer, but he has other evils to contend with as well. For example, the open-door policy of this Government which permits the foreign lithographic workman to come into this country and place himself directly in competition with the American citizen engaged in the lithographic industry. This foreign workman comes from a country which, as the statistics above mentioned prove, receives one-fourth of the wage paid to lithographic workmen in this country. The consequence of this condition permits these workmen to underestimate the value of their own services and readily accept positions in lithographic establishments at such a rate of wage that would make it impossible for the American workman to accept, so you will readily see that we are beset on all sides with thse evils, which, if permitted to continue, will inevitably bring us to a condition which we rightly consider as being almost intolerable.

In the brief filed by the National Association of Employing Lithographers, the following table was submitted to you for your consideration:

Percentages of total cost of production.

Wages	41
Paper, surface-coated	29½
Materials	16
Insurance, rent, and power	7
Color	3
Bronze and metal leaf	1½
Superintendence	2
	100

The above table is based upon a rate of wage which does not represent the higher rate of wage which is now being paid by a great number of lithographic establishments throughout this country, who are not members of the National Association of Employing Lithographers, and for the purpose of bringing this matter more clearly to you from the side of the actual cost of the production of lithographs, we submit to you the following table, which has been compiled by a firm who employ our members exclusively, which we think you can take as a proper criterion for all the establishments throughout the country, who pay to our members a rate of wage which is equal to, and in many cases, above the minimum established by our respective organizations:

Wages	55.9
Paper	15.5
Expense and materials	12
Insurance, rent, power	7
Color and bronze	4.4
Commissions	5.2

The above table speaks for itself, and shows you the competitive condition which governs those establishments who employ our members, and must prove to your honorable committee the absolute necessity of a more adequate tariff on imported lithographs, which will protect our employer in his efforts to pay to his workmen a rate of wage which would help him to maintain the proper standard of living for American workmen. As previously stated, our industry is beset at all sides by conditions which, if not eradicated, will destroy an industry in which thousands of dollars and the labor of thousands of workmen is invested. As a fitting illustration of the necessity of a

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higher rate of tariff on lithographs we beg to site for your consideration that during a conference of interested parties with regard to a change in the present copyright law, held in the Congressional Library two or three years ago, an effort was made to change the present manufacturing clause of the copyright law now in existence so far as it relates to lithographs. When we protested we were met with the answer that if we desired to protect the American lithographic workmen the proper place for us to seek such protection would be through the tariff. In fact, you will find by studying the proposed new bills on copyright legislation now before Congress that in every measure proposed the manufacturing clause so far as it relates to lithographs does not afford to our workmen the protection guaranteed by the copyright law now in existence.

In acquiescing in the support of the proposed amendments as submitted by the National Association of Employing Lithographers, it might be well to state that we do so and are only guided by the fact that such amendments are absolutely necessary for the preservation of the lithographic industry. The relations which exist between our respective organizations and the National Association of Employing Lithographers are not all that might be desired by all interested parties. In fact there is a constant war going on between us; the aforesaid Employing Lithographers' Association have decreed that their membership will not employ any of the members of our respective organizations, and in spite of our individual feelings as to the right and justice of this condition we are only too glad to support the amendments proposed, as before stated we deem it necessary in order to preserve our industry. As an evidence of the strained relations existing between the National Association of Employing Lithographers and our own association, we would refer you to your records in which a member of the aforesaid association filed a copy of their so-called shop regulations in which it is readily seen that their membership are strictly prohibited from employing members of our respective associations. It may not be amiss to state here that we are at a loss to conceive just why this part of their brief was injected into the records, as we feel the question of mutual relationship between employer and employee has no part and would have no bearing on your honorable committee in acquiescing in the proposed amendments as submitted by the National Association of Employing Lithographers. However, we deem it only fair and proper that we should take this opportunity to point out to you in defense of our position how selfish an organization of employers can be, for they reserve the right to themselves to belong to a protectiye association, while restricting to their employees the right to belong to a similar organization for their protection.

Much more could be stated, but we do not deem it necessary at this time. We earnestly trust and entreat your honorable committee to give this matter all the consideration which we deem its importance deserves. We beg of you to remember that the lithographic industry represents to a large number of workmen a life's investment of labor, energy, and thought, and any condition which would affect its general welfare would bring about a great deal of suffering and destitution upon the many thousands who are depending upon our membership for means of support.

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We can safely state that we not only speak for the organized workers, but we speak for the great number of unorganized workers, who have also invested their labor. In the past few years we have had a considerable number of unemployed, a still further number of our members have been only fortunate in securing employment on part time, to all of which we attribute entirely to the present ineffective protection of the existing tariff law. As an example, we refer you to the brief filed by the Post Card Manufacturers and Allied Trades Association of the United States, who have presented figures which are conclusive proof that at least 5,000,000 post cards are imported daily into this port alone. Among these cards are colored photographs produced through lithographic processes of the Capitol at Albany, Washington, the White House, Congressional Library, custom-house, and other productions of institutions which are sacred to us. Does it not seem unfair to you that while numbers of American workmen are walking the streets unemployed, these reproductions of our sacred institutions are being printed abroad for importation into this country. It lies within the power of your committee to eradicate this evil by acquiescing in the proposed amendments to paragraphs 398 and 400, which, if adopted, will afford to the American workman an opportunity to meet on equal grounds his foreign competitor, the result of which equality will unquestionably aid the American workman through his higher degree of skill to keep work of this kind in this country. We stand ready whenever you desire us, to send a representative or representatives to Washington to personally substantiate the statements made in this document.

Trusting you will thoroughly realize that this is an earnest plea on the part of American workmen to safeguard as against the foreign workmen, we beg to remain,

Most respectfully,

International Union of Lithographic Workmen, Wm. Miller, National Secretary-Treasurer; Poster Artists Association of America, Roy R. Randell, President; Lithographers International Protective and Beneficial Association of the United States and Canada, Frank Gehring, President; Lithographic Stone and Plate Preparers Association of United States and Canada, John McGrath, President; Paper Cutters Union No. 119, of New York and vicinity, Thomas Fogarty, Business Agent; International Protective Association of Lithographic Apprentices and Press Feeders of the United States and Canada, W. O. Coakley, President.

THE E. C. KROPP COMPANY, OF MILWAUKEE, WIS., ASKS A SEPARATE CLASSIFICATION FOR POST CARDS.

MILWAUKEE, WIS., *February 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Paragraph 400 of the act now in force fails to stipulate a duty on post cards; it merely states that a duty of 5 cents per pound be assessed on lithographic prints, from stone, zinc, aluminum,

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or other material, of not more than 35 square inches dimensions and of a thickness exceeding eight one-thousandths and not exceeding twenty one-thousandths of an inch.

When this tariff was passed there was no post-card industry in this country, but this business has since been developed extensively in spite of foreign competition.

The number of Americans employed by this industry were never officially counted, but we feel safe to state that at least 2,000 or 3,000 persons are directly and indirectly employed. The growth of this industry and the possibilities of further future development amply justify it to a separate classification. We suggest striking out that part of paragraph 400 referring to post cards and amending this paragraph in a way to give post cards a separate classification and a duty as suggested in paragraph 4 of this brief.

2. *Why protection is needed.*—The post-card industry enjoyed a rapid growth during the first few years since the fad was introduced in this country. This growth was due to the fact that the foreigners then did not attempt to compete so closely and lacked systematic methods in selling their goods. For several years past they have realized the possibilities of the American market and their competition has become more and more keen. If this condition had prevailed at the beginning there would not be one important post-card manufacturer in the United States to-day. It is a well-known fact that labor, a very important item, is paid only half and in many cases one-fourth as much abroad as we pay here. Our working day is eight hours, while ten or more hours constitute a day's work abroad. It should be borne in mind that Japan will later on be an important competitor in the American market. The labor conditions in Japan are too well known to be discussed. Help employed by the post-card industry is paid approximately the same wages as stated in the lithographers' brief, which describes and compares domestic and foreign conditions very correctly. The cost of material is in the same relative proportion as the labor item.

3. *Benefit to be derived through protection.*—By means of a proper protective tariff the American manufacturer can devote himself to manufacturing special and art cards of quality equal to the foreign, which is now impossible because of the difference in cost of production. Present tariff rates hamper our artistic ability. We can not employ the processes necessary to obtain results equal to foreign products because the cost of production abroad is so low, making it impossible to compete if we attempt to employ the same method of manufacture. These conditions would be changed entirely. Furthermore, many thousands of additional artists, engravers, mechanics, printers, and pressmen will be employed by the manufacturers of post cards. The increase in the selling and office forces of these manufacturers is also by no means a small item. More cardboard will also be used, thus giving employment to additional help at paper mills.

We have enumerated the direct benefits of such a protective act, but it will readily be seen that such protection must redound to the benefit of the entire community.

4. *A word to the opposition to a tariff on post cards.*—This matter is being opposed by several American importers, claiming that the manufacturers strive to bar foreign goods in order to raise prices on such goods. This claim is absurd. American manufacturers will

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always compete with each other in price and quality, each firm being independent; therefore, the prices of cards will remain very much as they are. Foreign manufacturers, especially the Germans, are also strenuously opposing us and have petitioned the German Government for assistance. However, there is no good reason why the post cards used in this country, which net our Government a large revenue in postage annually, should not be manufactured by American labor. American labor can produce them, but must be given the opportunity to do so. Give American labor a square deal and they will show results superior to foreign goods in due time.

5. *Effect of such a tariff on the retail trade.*—Presuming that all foreign post cards were barred, which, however, will not be the case, the demand on domestic manufacturers would naturally increase. However, if these manufacturers were to raise the prices of post cards, making the business more remunerative, other printers would immediately take up the manufacture of this article, increasing competition, which will keep the price down low enough to enable retailers to continue selling post cards at two and three for 5 cents. Post cards are now being sold at this price in the majority of the cities. Domestic competition will always remain at least fully as strong as at the present time, which will fully take care of the interests of the retailer and also of the public.

6. *Schedule of duty suggested.*—Under paragraph No. 400 of the present tariff act, post cards are dutiable at the rate of 5 cents per pound. This duty is wholly inadequate, as it affords no protection whatever, as before stated. In consideration of the vast difference in the cost of production here and abroad, which difference is at least 300 per cent, a specific import duty of 35 cents per pound should be assessed on all classes of post cards except on embossed, air-brushed, and other fancy cards. Such cards should have an ad valorem duty of 25 to 50 per cent in addition to the pound rate, as suggested by manufacturers of such fancy cards. This schedule should apply regardless of the thickness of card stock used. The average weight of 1,000 cards is 8½ pounds, thus making the specific duty $2.97 per thousand. This rate of duty would enable domestic manufacturers to compete with the foreign factories, and at the same time they could improve the quality of their goods in a way to equal the foreign product.

It is a deplorable fact that now the majority of domestic cards are inferior to the foreign, but this is because American manufacturers can not begin to make the same class of goods at the price at which foreigners produce same. An ad valorem duty is necessary to properly protect manufacturers of higher grade cards, for these cards weigh only about the same as the regular post cards and a duty of $2.97 per thousand would really afford these manufacturers no protection whatever. We believe that the above-mentioned plan would work out most satisfactorily. The rates mentioned should apply to post cards whether cut to card size or whether imported on sheets containing a number of cards.

We sincerely trust that the foregoing will have your most careful consideration, for it is absolutely necessary that something along these lines shall be done as soon as possible. It is hopeless to attempt to compete with the foreign manufacturers under present conditions

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and unless a favorable tariff is established it will mean a steady decline of the post-card industry and ultimately its ruin.

The result of protection, as suggested, however, would most certainly prove very gratifying, inasmuch as this would greatly increase general prosperity at home. To attain this should be the earnest desire of every American legislator and citizen, for it is plainly a move which will mean upliftment for the entire printing and lithographing industry, which will certainly redound to the general welfare of the entire American public.

E. C. KROPP COMPANY.

THE ALBERTYPE COMPANY, BROOKLYN, N. Y., FILES SUPPLEMENTAL BRIEF RELATIVE TO LITHOGRAPHIC PRINTS.

BROOKLYN, N Y., *February 10, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In pursuance of our letter to you of November 17, 1908, we take the liberty of recapitulating the main points, also of correcting or refuting some of the statements printed in Tariff Hearings as related to this subject.

On November 21, 1908, Arthur F. Rice appeared before your honorable committee in behalf of the Campbell Art Company, of Elizabeth, N. J., and other concerns engaged in the United States in photogelatin printing.

He correctly stated that the photogelatin prints, including the post cards made by this process, pay a duty of 25 per cent.

The Meriden Gravure Company, of Meriden, Conn., makes the misleading statement: "And then protect us on the product of the machinery by only 35 per cent or less." The duty on photogelatin prints and post cards is 25 per cent, while the cardboard used for these post cards is assessed 35 per cent as "manufactures of paper."

The Albertype Company, November 17, 1908, is represented as saying that "75 cents" as the amount of duty on 1,000 lithographic or chromo post cards. This is an error, the Albertype Company, of Brooklyn, N. Y., having written "45 cents." The post cards of this class average 9 pounds per 1,000, and the duty at 5 cents per pound amounts to 45 cents per 1,000 cards.

Averaging the present foreign prices for first and subsequent editions of these chromo post cards at 12 marks, or $2.88 per 1,000, and adding the duty, 45 cents, freight and expenses, 12 cents, we have a price laid down in New York of $3.45 per 1,000; or the same may be mailed from Germany to any place in the United States at a surplus over freight of 60 cents, making the total $4.05 per 1,000.

If one-quarter of a cent duty per card were imposed, or $2.50 per 1,000, the aforesaid cost of $3.45 would be raised to $5.50 per 1,000.

While the larger orders for several thousand cards of a subject invariably go abroad, we receive but few orders over 1,000 of a subject and can not produce a view post card in colors under $9 to $10 per 1,000.

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This is a hand-colored (or air-brush colored) photogelatin printed post card, which we are able to produce from 1,000 of a subject upward, where quick delivery or the patriotic spirit of the dealer give us the preference.

Of the price of "plain photogelatin post cards" (uncolored) we have spoken in our letter to you of November 17, 1908. The prices of these cards are lower than the figures stated at the head of this page for chromo cards.

The Rose Company, of Philadelphia, states the correct amount of the post cards exported from Germany to the United States during 1907 at $3,139,220, which amount does not include those received from other countries. If the higher duty of $2.50 per 1,000, proposed by the San Francisco makers and the Rose Company, of Philadelphia, reduced the importations from Europe to about half, or $2,000,000 in value, or 500,000,000 post cards, a duty of one quarter of a cent per card would still bring a revenue of $1,250,000.

The other half, which could then be manufactured here, some five hundred million post cards, would bring the home manufacturer an average of $7 per 1,000, total $3,500,000, and would benefit American labor by 80 per cent, or $2,800,000 on the item of post cards alone.

The imported post cards are now about evenly divided between those of lithographic make (entering under tariff article 400) and those of photogelatin make (tariff 403). Because post cards are not mentioned as such in the tariff of 1897, we must base our estimate of the total imports of post cards mainly upon the German statistics, respectively, the figures for 1907 as stated heretofore.

Therein are not included all prints, articles, and publications other than post cards, nor those entered free as "in a foreign language"—letter of W. C. Ramsey in Boston, and "Free importations of professional books and those in foreign languages."

We take exception to some of the statements of our colleagues in trade:

> One trouble is that our fine work has to be printed on imported paper. (Photogravure and Color Company, New York.)
>
> Considering the impossibility of American photogelatin firms of competing with European firms under the present tariff, we should suggest that the presses come in free. (Western Photogravure Company, Chicago.)

Let us have no free paper and no free presses, and no lithographs, photogelatin prints or post cards that enter almost free.

The Western Photogravure Company more properly write:

> A duty of 100 per cent or more on the finished product would be putting us on a more equitable plane of competition.

From the letters of those opposing an increase of duty on our goods, we select as foremost in misstatements and perversion of facts that of V. C. Ward, importer, New York:

> and the demand for them built up entirely by the importers of German lithographic goods, whose former business had been ruined by the excessive duties called for by both the tariff laws of 1894 and 1897; their former business having been the importing of souvenir booklets, souvenir albums, and calendar views of scenic and resort localities. It having become impossible to import the old styles of souvenir goods, they invented the post-card idea and exploited them in every section of America where their souvenir books and calendars had formerly been sold

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The "exploitation in every section of America" is the one true section of this appeal to the unwary. Other "old styles" have become impossible when new styles and new processes have taken root—in this case the half-tone printing and in a small measure the photogelatin process applied by the writer since 1887 to the domestic manufacture of those goods. Mr. Ward's "post-card idea" was anticipated in Belgium and later in Germany two decades before 1894. Colored or chromo post cards, manufactured in the United States, had a concession and large sale at the World's Fair at Chicago in 1893.

Mr. Ward further speaks of "the present prohibitive tariff on lithographic goods." It is like temperance, lying on every wayside; for where is the American town or hamlet to-day without post cards bearing the legend "Made in Germany?"

Leaving the remainder of Mr. Ward's fabrication for scraps, we turn to the more refreshing statement of I. Wolf, jr., of Philadelphia:

> We are one of the largest producers, I believe, of American lithographic goods in this country and at the same time the largest importers of foreign goods. * * * The large increase in the lithographic business in the last few years has been a question of postal cards, and we are importing them in very large quantities, but we find that now within the last year the product in America is becoming very large, and we can not with the foreign goods compete * * *.

Has Mr. Wolf not been able to monopolize the postal cards by his large importations, or has he worked both ends so successfully that some poor domestic lithographers or printers were driven to offer him at $1.65 what, of German makes, costs 8 marks, or $1.92 per thousand "in lots?" What lots, by which process, and of which quality, respectively? One hundred thousand of a subject of post cards may cost to manufacture $1.65, more or less, per thousand, when a single thousand made by the same or another process would cost from $15 to $50, all counted. It is the higher grade of illustrated post cards that are mainly imported, the labor constituting 80 to 90 per cent of their value, and not the lower grades.

Let also the dealers in post cards speak:

Virgil Lamont Johnson, Germantown, Pa.:

> I am a large purchaser of postal cards, but owing to the inferior quality in this country I am forced to order all my cards from Germany. If you can find any of the publishers who can furnish as good a product as the foreigners you will do me a favor by placing him in communication with me.

If Mr. Johnson had added, "and hearing what the German prices are," his letter would sound truer.

The letters we receive from our correspondents and customers more often praise the quality of our make, but refer to the disparity between the German and our prices, or make it a condition that we meet these foreign prices, which, of course, we are unable to do. We append a few of these letters received in the ordinary course of business; also copy of an article in the Denver Republican of November 25, 1908.

In relation to the duty proposed on post cards of all makes, we now join in the recommendations of the San Francisco makers and the Rose Company, of Philadelphia, viz, one-quarter of a cent per card, or $2.50 per 1,000, as the most equitable rate, by no means prohibitive on the higher grades of post cards constituting the bulk of those

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imported. The Detroit Publishing Company's suggestion of an additional 20 per cent ad valorem would give us only scant protection on the more expensive and art publications.

Yours, very respectfully,

THE ALBERTYPE CO.
Per ADOLPH WITTEMANN.

We thoroughly indorse the above.

CAMPBELL ART COMPANY,
Elizabeth, N. J.
Per A. F. RIER, *Vice-President.*

EXHIBIT A.

GUNNISON, COLO., *January 28, 1909.*

THE ALBERTYPE COMPANY,
Brooklyn, N. Y.

GENTLEMEN: We are in receipt of your book of samples for this year, and wish to say that we have never looked at anything in this line that can approach your samples.

We contemplate issuing a new set of local views, about twenty, but our town being small and the demand therefore limited we are unable to order in lots of more than a half thousand of a view. Will you make us the same price per thousand in these quantities as in thousand lots of styles 5 and 6? In other words, will you make us 10,000 cards of 20 views for $90?

An early reply will be appreciated.

Yours, truly,

P. C. BOYLES.

P. S.—These cards for May 1 delivery.

EXHIBIT B.

SIDNEY, N. Y., *January 26, 1909.*

THE ALBERTYPE COMPANY,
Brooklyn, N. Y.

GENTLEMEN: We thank you for prompt reply to our favor 25th instant.

You did not send any samples of your work.

We have quotations on platino (import), at $3.50. No doubt you can do better than $5.40 on this work for cash, as you have already the plates. Kindly submit samples of work and state time required, for we are in hurry.

Thanking you, etc., we remain,

Very truly,

NAT. PHOTO CARD CO.

State what subjects you have of Sidney.

Annotation of the Albertype Company:

The $3.50 per 1,000 cards is far from the lowest German wholesale quotations, which range down to $2.25 delivered here.

EXHIBIT C.

521 BROADWAY, GREENVILLE, OHIO,
January 28, 1909.

THE ALBERTYPE COMPANY,
Brooklyn, N. Y.

GENTLEMEN: We received your calendar and samples for which we thank you, and will say that we like your work but not the prices. We have been making up hand-colored German work, and by samples we inclose you will see that it is all right, and we give the same prices you quote in like amounts. We imported 60,000 last month and have a good many prospects in our territory for the near future. We would rather give our work to an American factory if we could get a price to enable us to make a fair profit, so if you extend any better prices to jobbers we should be glad to receive your quotations.

Yours, truly,

GIBSON & WENGER.

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EXHIBIT D.

LOOMIS, WASH., *January 29, 1909.*

THE ALBERTYPE COMPANY,
Brooklyn, N. Y.

GENTLEMEN: I am in receipt of your calendar and samples of post cards, and congratulate you on the superior work. I get samples from nearly every important post-card dealer in the United States from half tones to the various fine color processes, but none approach yours in artistic effect. Your double-tone sepias seemingly could not be improved, and the tinted work, such as the "English Bay," is as true to nature as the human hand could produce. Please tell me, do you get these fine effects from prints, or are you able to do better work from the manipulation of the negative? I inclose two samples of cards that have been done by you at various times. They are as unlike the originals as could possibly be. The Similkameen Valley is a negative as full of fine detail in the distance as one would wish, and as a record of fact can not be surpassed. The Spectacle Lake is hardly suggestive of its name, and yet the original of this scene is good. I am not finding fault, mind you, but the vast difference prompts this inquiry. Thanking for the calendar, I am,

Yours, truly, HERBERT R. GREGG.

EXHIBIT E.

WAYNE, PA., *February 6, 1909.*

THE ALBERTYPE COMPANY.

GENTLEMEN: Send as soon as possible 1,000 Walnut avenue, 1,000 St. Luke's School, 500 George W. Childs Library.

Yours, truly, C. W. BENSINGER.

P. S.—Your prices are still too high compared to the foreign cards. Would have given you a lot of new work had you been more reasonable.

EXHIBIT F.

WAYNE, PA., *August 10, 1908.*

THE ALBERTYPE COMPANY.

GENTLEMEN: I send you by mail to-day two pictures, from which I want local post cards made. "The Garden," etc., I would like to have all on one card, just as on picture.

The house is called "Woodcrest," Radnor, Pa. That is all I want on card. Think these ought to make beautiful cards. Want each in outline; 1,000 of each subject.

Can't you furnish them at $4.50, same as prices on the other side? Let me know whether everything is O. K.

Yours, truly, C. W. BENSINGER.

EXHIBIT G.

17 SPRUCE STREET, ASHEVILLE, N. C.,
February 8, 1909.

THE ALBERTYPE COMPANY,
Brooklyn, N. Y.

GENTLEMEN: I am doing a great deal of photograph-view work in the mountains and towns of the South, and also a great deal of sporting work on the athletic fields and at the horse shows. Many of these pictures have been reproduced on post cards to sell to the trade.

I have an agency for one of the German firms, but it requires so many weeks to deliver the goods that I would much prefer to deal with an American house, if I can secure good work at such figures that will enable me to sell to the trade at a profit.

In other words, I am developing into a post-card wholesaler for this section of the South, and want your lowest prices, consistent with the best class of work, on your black and white and colored post cards in lots of 1,000, 5,000, 10,000, 25,000, and 50,000. Kindly send samples and quote lowest wholesale cash prices on each style.

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If we can arrange proper terms, I am confident I can furnish you with a good volume of post-card business.

Awaiting your early reply, I am,

Very truly yours, HERBERT W. PELTON.

Annotation of The Albertype Company: It is in these larger editions particularly that we are shut off from competing with German prices or even approaching them.

EXHIBIT H.

[From the Denver Republican, Nov. 25, 1908.]

AVALANCHE OF POSTAL CARDS FOR COLORADO—TWENTY-FIVE MILLIONS OF THEM TO ADVERTISE THE STATE.

Colorado is to have the advantage of a circulation of 25,000,000 new postal cards to be printed in colors and distributed over the world by a German lithograph house. There will be 50 different scenes taken along the line of the Colorado Midland Railway and 500,000 of each set of cards will be distributed. The European scenic places having been worn threadbare in the postal card business, this German lithographer sent an agent to Colorado to gather new picture subjects, and he did not have to hunt long. The Colorado Midland began a campaign of picture literature two years ago and it is now to have one of the best collections extant. Most of the views were taken by L. C. McClure, photo scenic artist of the Midland. The German agent was particularly delighted to get the pictures of the cattle roundup recently taken near Rifle. A local firm is also putting out an aggregate of 500,000 cards from 15 subjects taken along the Midland. This road is beginning its campaign for 1909 to advertise the beauties and scenic grandeur and expects to plant many illustrated articles in eastern papers this winter which will add thousands to Colorado tourist travel next summer.

NEW YORK IMPORTERS FILE BRIEF IN OPPOSITION TO ANY INCREASE IN DUTIES ON LITHOGRAPHIC PRINTS.

Washington, D. C., February 12, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: There is in Germany a class of artist-artisans who both originate and draw on the lithographic stones for reproduction the cupids, ribbons, holly, and fairy princesses of the toy books and Christmas cards. These men, though they receive only the wages of skilled mechanics, are counted in their own country as artists. Their lives and the little society in which they move draw much of their color and value from this fact. No increase in wages within the limit of those paid to skilled labor in this country could compensate them for leaving their homes and migrating to a place where they would be ranked and live merely as artisans. As a matter of experience, it has been found impossible to induce them to come to this country. Their presence in Germany makes it possible for the Germans to produce the original lithographic stones for work involving artistic originality at considerably smaller expense than would be required in the United States, where an artist at artists' wages and an artisan working together are required to produce the result.

In the reproduction of lithographs, however, the American manufacturers have a great advantage. In the first place the American presses are superior to anything produced in Germany, so much so that many factories in Germany (for example, that of E. Nister in

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Nuremburg) have already been equipped with American machines. The American workman, also, is far more productive than his German brother. Even on the American machines installed in Germany the German workmen are incapable of producing nearly the output which is attained by the Americans, while the American lithographic steam presses operated by American workmen produce from 5,000 to 7,000 sheets a day as against 2,500 to 4,000 of the German lithographic steam presses with German labor. At the present time when a single good workman is able to manage eight or ten great steam presses producing each its thousands of copies daily, it is evident that a difference of a dollar or a dollar and a half a day in the wages of the man running the presses but slightly affects the actual cost of reproduction, and as a matter of fact the American manufacturers can reproduce any lithograph, after the original making of the stones, at a cost substantially less than the cost of reproduction in Germany.

The cost of making the original stones is usually so small an element in the final cost, in comparison with the cost of reproduction, that the American manufacturers can produce and market more cheaply than the German manufacturers any series of lithographs, exclusive of the tariff, excepting those of high-grade artistic invention, where the original cost of production of the stones is great and where the number of copies to be produced is small. The result of these facts taken in conjunction with the present duties on lithographs has been to absolutely prevent the importation of any of the less expensive classes of lithographs, and give to the American lithographers a monopoly covering over five-sixths ad valorem of the lithographs consumed in this country.

Only high-class work involving considerable artistic originality of a kind not freely produced in this country is imported at all. When this higher class work proves successful on the American market and promises a long run, it is in almost every instance pirated by the American producers, sometimes by several of them at once, and sold at a price less than the importers can possibly market it for, and often considerably less than the cost of its actual production in Germany. This is the most conclusive evidence in support of the proposition that when the element of artistic invention is eliminated, the technical work of producing stones and striking prints can be carried on more cheaply in this country than in Germany, irrespective of the tariff schedules.

A number of exhibits have already been submitted to this honorable committee in proof and illustration of these facts. Of these the postal card marked "A" was made for Dutton & Co. in Germany. Its cost at the factory in Germany was $5 per thousand. The cost landed in the United States was $5.74 per thousand. The lowest wholesale price at which the cards could be sold in the United States with a reasonable profit was $8 per thousand.

Postal card "B," an exact copy of card "A," was pirated by the American manufacturers from card "A" and sold in the United States freely at the wholesale price of $3.50 per thousand.

Card "C" was made for Dutton & Co. in Germany, and cost at the factory $5 per thousand. Landed in the United States it cost $5.74 per thousand. The lowest wholesale price at which the card could be sold in the United States was $8 per thousand.

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Card "D," an exact copy of card "C," was pirated by the American manufacturers and sold freely on the wholesale market at $3.80 per thousand.

Card "E" was made for Dutton & Co. in Germany. Its cost at the factory, the duty and the lowest wholesale price in the United States were the same as with the preceding German cards. Card "F" was copied exactly from card "E" by the American manufacturers and sold at wholesale in the United States for $3.50 per thousand.

These instances are not exceptional, but are typical of the normal course of events. We hold in our possession scores of pirated cards bearing various types of lithography, but feel it unnecessary to duplicate the evidence before the committee. Affidavits of costs and selling prices of these cards, as well as the other facts stated in this brief, are appended for the committee's convenience.

Book "A" of the exhibits was a German lithographic book made for Dutton & Co. As it left the factory in Germany it cost 10½ cents. A duty of 25 per cent, amounting to 2⅝ cents, and transportation charges, amounting to seven-eighths cent, made the total cost of placing the book on the American market 14 cents. The lowest wholesale price at which it could be sold with a reasonable profit was 22½ cents. This book was one of a series manufactured in Germany for Dutton & Co. Eighteen books of this series were pirated by the American manufacturers and exactly reproduced by the three-color printing process, millions of copies being sold on the American market at the wholesale price of 6 cents apiece.

Book "B" is a sample of these imitations. It is an exact copy of Book "A." It was made in America and sold freely at the wholesale price of 6 cents.

This example of imitation in three-color printing is introduced to show the real enemy of American lithography. The fact that the total product of the American lithographers has not increased as rapidly of late as in former years is due to the enormous inroads of three and four color printing, which in other parts of the world has actually cut down the total lithographic product.

Book "C" is an American lithographic book composed of various pages copied exactly, a page apiece, from the various books in the above-mentioned series of German books. It was sold on the American market wholesale for 6 cents a copy.

Book "D" is a toy book made in Germany for Raphael Tuck & Sons. The cost at the factory in Germany per thousand was $37.20. The duty amounted per thousand to $16.80, making the total cost landed in America, without considering transportation charges, of $54. There is annexed to this brief an affidavit by Charles Kaufmann to the effect that Tuck & Sons hold an estimate by the J. Ottman Lithograph Company for the reproduction of this same book in America for $37.22 per thousand, delivered at Tuck & Sons' warehouse.

We are further transmitting to the committee with this brief a lithographic book marked "E," entitled Robinson Crusoe, manufactured in Germany for Dutton & Co. and costing at the factory 62 cents. The duty was 15½ cents, the transportation charges, etc., 5 cents, and the cost landed in the United States 82½ cents. The lowest wholesale price at which it can be sold on the American market is $1.25.

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We also submit to the committee a lithographic book marked "F," sold by De Wolfe, Fisk & Co., manufactured in America by The Niagara Lithograph Co., being an exact copy pirated from book "E." This book sold freely on the American wholesale market at 50 cents.

Book "G" is a lithographic toy book made for Dutton & Co. in Germany, costing at the factory in Germany $9\frac{36}{100}$ cents. The duty amounted to $4\frac{50}{100}$ cents, transportation and other expenses amounted to $\frac{34}{100}$ cents, making the total cost landed in the United States of $14\frac{20}{100}$ cents. The lowest wholesale price in the United States at which the book can be sold with a reasonable profit is 18 cents.

Book "H" is a lithographic toy book manufactured in the United States by McLaughlin Brothers. It is an exact copy of Book "G," except for the cover, which is the same, with some slight modifications. Book "H" can be freely bought for 12½ cents on the American market.

Book "I" is a lithographic toy book manufactured in Germany for Dutton & Co., costing at the factory in Germany $9\frac{36}{100}$ cents a book. The duty amounted to $2\frac{50}{100}$ cents, transportation and other expenses to $\frac{34}{100}$ cents, making the total cost landed in the United States of $12\frac{20}{100}$ cents apiece. The lowest wholesale price at which the book can be sold with a reasonable profit is 18 cents.

Book "J" is a lithographic toy book manufactured in America by McLaughlin Brothers. On careful examination it will be seen that Book "J" is a substantial imitation of Book "I" with a slight alteration of the plates and the addition of two colored pages. This book can be purchased freely on the wholesale market in America for 12½ cents a book.

We also submit to the committee a schedule showing the ad valorem equivalents of the present duties on lithographic products; an affidavit by E. Nister, who is a large manufacturer of lithographs of Nuremburg, Germany, showing the wages paid to the workers in his factory, and a letter signed by Mr. Nister, containing a learned discussion of the present tariff on lithographs.

As in the case of the postal cards, so in the case of books, ceramic decalcomanias, and larger lithographs, the instances of copying are not peculiar but are typical of the normal course of business.

Germany itself, the home of European lithography, is pasted broadcast with American advertising lithographs. The German product when it makes its appearance in this country and gives promise of success is imitated by the native producers and marketed at a price often less than the cost of production in Germany. It can not be that under these conditions a productive tariff is longer needed by the American producers. If there were no question of revenue to be considered, the importers would feel themselves justified in asking the committee for a total abolition of the schedules on lithographs. If the committee is of the opinion that revenue from this source can properly be dispensed with, the importers hereby make such a request. If the committee believes that lithographic importations can not be omitted as a source of revenue, then the importers beg that the duties be lowered to a point where they will cease to be prohibitive, where they will yield a maximum revenue to the nation, and where they will more nearly approximate justice under the true principle of protection.

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May section 400 of the tariff of July 24, 1897, be amended so as to read:

400. Lithographic prints from stone, zinc, aluminum, or other material, bound or unbound (except cigar labels, flaps, and bands, lettered, or otherwise, music and illustrations when forming a part of a periodical or newspaper and accompanying the same, or if bound in or forming a part of printed books, not specially provided for in this act), on paper or other material not exceeding eight one-thousandths of one inch in thickness, eight cents per pound; on paper or other material exceeding eight one-thousandths of one inch and not exceeding twenty one-thousandths of one inch in thickness, and exceeding thirty-five square inches, but not exceeding four hundred square inches cutting size in dimensions, four cents per pound; exceeding four hundred square inches cutting size in dimensions, fifteen per centum ad valorem; prints exceeding eight one-thousandths of one inch and not exceeding twenty one-thousandths of one inch in thickness, and not exceeding thirty-five square inches cutting size in dimensions, three cents per pound; lithographic prints from stone, zinc, aluminum, or other material, on cardboard or other material, exceeding twenty one-thousandths of one inch in thickness, three cents per pound; lithographic cigar labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum or other material, if printed in less than eight colors (bronze printing to be counted as two colors), but not including labels, flaps, and bands printed in whole or in part in metal leaf, ten cents per pound. Labels, flaps, and bands, if printed entirely in bronze printing, nine cents per pound; labels, flaps, and bands printed in eight or more colors, but not including labels, flaps, and bands printed in whole or in part in metal leaf, fifteen cents per pound; labels, flaps, and bands printed in whole or in part in metal leaf thirty cents per pound. Books of paper or other material for children's use, containing illuminated lithographic prints, not exceeding in weight twenty-four ounces each, and all booklets and fashion magazines or periodicals printed in whole or in part by lithographic process or decorated by hand, three cents per pound; decalcomanias of all kinds (none of which shall be construed to fall under any preceding schedule in this paragraph) fifteen cents per pound.

Respectfully submitted in behalf of—

E. P. DUTTON & Co.
RAPHAEL TUCK & SONS Co.
INTERNATIONAL ART Co.
W. HAGELBERG & Co.
ART LITHOGRAPH PUBLISHING Co.
KAUFMANN & STRAUSS Co.
WOLF & Co.
By ROOT, CLARK & BIRD.

ELIHU ROOT, JR.,
of Counsel.

EXHIBIT A.

STATE OF NEW YORK,
County of New York, ss:

JOHN MACRAE, being duly sworn, says:

I am the vice-president of E. P. Dutton & Co., publishers and importers of lithographs. I have been connected with E. P. Dutton & Co. and have been familiar with the business of importing and manufacturing lithographs, both in Germany and in the United States, for twenty-three years. I have read the annexed brief. The statements contained in that brief I know to be true of my own knowledge, except those concerning the number of sheets per day struck on German steam presses, and concerning the cost of Book "D" of the exhibits and concerning the estimates of the J. Ottman Lithographic Company for the reproduction of that book in America. My information as to the rate of printing on the German steam presses is derived from the testimony of E. Nister, a German manufacturer of lithographs, which is annexed to the brief. My knowledge concerning the cost of Book "D" of the exhibits and the cost of reproducing it in this country is derived from an affidavit by Raphael Tuck & Sons, annexed to the brief.

JOHN MACRAE.

Sworn to before me this 6th day of February, 1909.

L. B. GOODALE, *Notary Public.*

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EXHIBIT B.

CITY OF NEW YORK, *County of New York, ss:*

CHARLES KAUFMANN, being duly sworn, deposes and says:

I am the president of the Raphael Tuck & Sons Co. (Limited), a corporation engaged in the business of dealing in lithographic goods of all kinds, among others toy books for the use of children.

There is published in Germany a book called "Beauty and the Beast," a sample of which is herewith submitted; the selling price of this book to us in Germany is 155 marks per thousand, the equivalent of which in the United States currency is $37.20. The weight of this book per thousand is 210 pounds. The duty prescribed by the present tariff is 8 cents per pound. The duty per thousand books is therefore $16.80, making the total landed cost, exclusive of freight, etc., $54 per thousand.

The duty on this book being practically prohibitory of importation, we have invited estimates of various American lithographers of what they would supply us with this book for in this country. We have received estimates from four American lithographers which vary from $33.50 to $37.50 per thousand. We buy some from the J. Ottman Lithographing Company, of New York, at a net price of $35.37 per thousand, which is less than the foreign cost without duty.

There is also published in Germany a book called "The Holiday Train," a sample of which is herewith submitted. The foreign cost of this book is 65 marks per thousand, equivalent to $15.60 in American currency. The duty is 8 cents per pound for a hundred pounds, which equals $8, making the total landed cost of the goods, exclusive of transportation charges, etc., $23.60 per thousand. A similar article cost us here $2.10 per gross, equivalent to $14.58.

There is also published abroad a book called "In the Fields," the selling price of which to us is 50 marks per thousand, equivalent to $12 in American currency. The weight of a thousand books is 80 pounds, the duty 8 cents per pound, the total duty $6.40, making the total landed cost of the books, irrespective of transportation charges, etc., $18.40. This book is of a size not suitable for the American market. A corresponding American book called "At the Zoo" (samples of both books are herewith submitted) which contains two pages less of one color printing, but which is of enlarged size, is $1.85 per gross, or $12.85 per thousand, less discount of 5 per cent, making the net price here $12.21 per thousand, which is only a trifle above the cost of the foreign book abroad.

CHARLES KAUFMANN.

Sworn to before me this 6th day of February, 1909.

T. R. ST. JOHN,
Notary Public.

EXHIBIT C.

LETTER OF E. NISTER.

The tariff hearings which are at present being carried on in the United States are, as may readily be conceived, being followed with great interest in Germany.

From the objectiveness and thoroughness with which these hearings are being conducted, and from the large and increasing general export from the United States into Germany, it is to be expected that the efforts of those American manufacturers who endeavor to introduce prohibitive duties will be without success.

A large proportion of the group of American lithographers has taken up such a position and has also proposed duties more or less prohibitive of any export to America.

This is quite conceivable, but it must be considered wrong, if these ends are sought to be reached by giving untrue, distorted, or intentionally misleading information.

It is only against such information that the following particulars are directed:

The assertions which should justify raising the duties are based upon—

1. The comparative amount of wages and costs of production in both countries.
2. The increased cost of American production through high duties on imported materials.
3. The insufficient rate of the existing duties.
4. The increase of export of lithographic prints to the United States.
5. The harm done to the American manufacturer through incorrect declaration of importers.

It is the earnest intention to treat these questions herewith quite objectively and thoroughly.

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It is to be remarked, in general, that the whole agitation of those who are in favor of prohibitive duties is calculated to mislead under the pretense of protecting national labor.

Mention is only made of the difference in the amount of actual wages, and from such difference a conclusion is drawn as to the comparative cost of production of the finished goods in both countries.

In our age of technic, however, the main work is, and this also refers to the printing branch, done by machinery and in comparison with the costs of machines, power lighting, heating, rent, expenses, taxes, materials, and freight, to which in Germany the costs for insurance of workmen must be added, the actual wages form but a comparatively small proportion of the total costs of production.

It may be important to mention that the taxes amount to a considerable item, being in Prussia and Saxony respectively —— and —— of the net profit, and a further increase is under consideration.

The information given by the National Association of Employing Lithographers regarding the rate of wages usually paid in Germany is quite incorrect and misleading. In order to furnish a correct and indisputable material, the average wages actually paid, the correctness of which can be supported under oath, will be given in form of affidavits by the leading lithographic concerns interested in the export to the United States.

The affidavits will show that German wages, which are still in a rising tendency, are about double as high as stated by the National Association of Employing Lithographers.

Mr. Meyercord's statement that wages in America are 41 per cent of the total is wrong, as far as this percentage is meant to represent the average figure.

Neither Mr. Meyercord nor any other printer is able to give such a figure, as nearly for each individual article the percentage of labor widely differs.

The reproduction of a picture lithographed in the best style and printed in a limited edition in a great number of colors will eventually show a higher percentage of labor than 41 per cent, the cost of material being small, while for common work, such as labels run in long editions and in a few colors, the percentage of labor is totally different and will be considerably less. The same applies to books which are very heavy and contain more material and a more or less prevailing type part.

Besides, the articles are constantly changing and made suitable for the market, fashion, and taste of the public, and an average figure can only be arrived at for articles manufactured in the past. Such an average figure would not be of the slightest value whatever to gain any correct opinion as to the question under discussion; on the contrary, it can but mislead.

The question to be solved is, whether the American lithographers are, under the existing conditions, unable to compete with the imported articles. This question can only be solved by tangible evidence.

Such evidence is furnished by the statements made by J. Wolfe, Philadelphia, and other importers, and also by the annexed letters of the American Lithographic Company to the firm of E. Nister, Nuremberg, and of the Pittsburgh Decalcomania Company.

As further tangible proofs, samples of the principal articles of export will be furnished by the leading German lithographic concerns, in connection with lists giving the total costs of each identical article, together with the percentage of labor thereon.

Such lists, the correctness of which can eventually be proved, will be submitted to the American authorities by the American importers. The lists will show that the amount of wages of production are very high and will hardly show a difference when compared with the costs of the American productions, and if there should be a difference, it would be more than sufficiently compensated by the greater effectiveness of the American workmen and the labor-saving machinery and methods used in the United States, not to speak of the existing high duties.

If the American lithographers really wish to make exact comparison they ought to furnish authentic lists similar to those made up by the German lithographers.

The information now given regarding the wages paid in America is grouped in such a way as to mislead. An instance may be seen in the brief of the Association of Employing Lithographers, in which (no doubt in order to attain a higher average) the wages of printers at one, two, and three color rotary presses have been mentioned.

The number of rotary presses for lithographic work is small in comparison to the number of flat-bed presses; besides rotary presses are rarely used in Germany, for reasons to be mentioned later on, and even with the present duties productions printed in a few colors on such presses are hardly exported to America. If the amount of actual wages paid in both countries be correctly stated, the conclusions drawn by the National Association of Employing Lithographers become invalid.

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Mr. Meyercord makes another misleading and incorrect statement by comparing wages for feeders (female labor) in Germany with the wages for feeders (male labor) in America, though he knows perfectly well that female labor is much less effective and that male feeders are used in America also for other work besides feeding the machines.

A convincing proof, however, can only be obtained by comparing the actual work performed in Germany and in the United States for the wages paid in each country.

Such an impartial comparison must show the patent fact that even with much lower duties than the existing ones the American printers must be able to compete.

High wages are paid in the whole American industry. The fact, however, that this does not exclude the ability to compete is proved by the continual enormous increase of the American industry and by the exports of same.

It is a well-known fact repeatedly stated even by American protectionists at the tariff hearings that an American workman performs about double as much as a foreign workman. Mr. Brasill stated with reference to bookbinders' wages paid abroad that an American workman earns about double the amount of wages. If, however, Mr. Brasill continues by drawing the conclusion that "as the American is able to do more work than the foreigner, we claim that there is actually twice the difference."

Mr. Brasill is wrong, for this only proves that even with double the wages Americans are still able to compete without any protecting duties at all if double the amount of work is turned out.

The high wages in the American industry and the large and continually increasing demand have as a necessary result brought about that the expensive handwork has been more and more substituted by labor-saving machinery. An American lithographic steam press prints 5,000 to 7,000 per day against 2,500 to 4,000 of the German lithographic steam press.

If the latter does not show the same working capacity as the American presses, the reason must be put down to the prevailing conditions. Labor is cheaper and there is not sufficient sale for the large editions as in America.

Roughly speaking, about three-quarters of the German chromolithographic production goes abroad. For this reason and on account of the high duties in foreign countries the necessity arose for the German lithographers to take up the manufacture of certain special articles. The export consists principally of Christmas, birthday, Easter, valentine, postal, and other cards of all kinds, calendars, picture books, advertising novelties, decalcomanias, etc.

There is a constant demand for novelties in these articles and each year large collections of novelties are brought out. The large number of new patterns does not admit the printing of large editions, and as the chief sale is in fall there is, as a rule, no time to print further editions. Moreover, in the case of articles like picture books, decalcomanias, etc., the chances of reprints are very small, through insufficient protection of the foreign designs in the United States of America.

American lithographers and publishers enjoy full protection of their designs in Germany, but to the German lithographer such protection is refused in the United States. The best selling designs are copied and sold much cheaper than the imported goods.

The American lithographers are those who spoil the prices on the American market by copying foreign designs. A chromolithograph, even of the highest technical perfection, will not be bought unless the design meets the public taste. If a design is new and beautiful, it will easily fetch a better price. It is mostly the importers of chromolithographs who did succeed in satisfying the demand of the American public for novelties.

The import of these novelties is due to the same reasons as the import of ceramic decalcomania transfers.

But if an imported new pattern had a big success, it was almost sure, as already stated, to be copied by American lithographers and thrown on the market at low prices. The imitator had no expense for originals, nor any risk of keeping less salable patterns on hand. He only copied the best patterns, being certain that these would sell. There was only one drawback. He had no expense for originals, but no protection either. Hence it happened that the imitators were again imitated and undersold. It even occurred that a good pattern was copied by several lithographers at the same time, with a result of a very sharp competition. It stands to reason that such incorrect and unfair proceedings had a highly injurious effect on the whole market. The price became low even for goods correctly produced.

Therefore the German import can not have injured the American lithographers; just the contrary may be said, and it would be to the advantage of all parties concerned, and especially to the American artists, if this incorrect state of affairs, created by lack of protection of foreign designs, would be changed.

The fact remains that the American lithographic industry has enormously developed under the exising duty rates, while the import, consisting chiefly of specialties,

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is small in comparison with the American production. On the other hand an increasing export of American lithographic goods is to be stated. The export to other countries and also to Germany mainly consists of show cards, advertising articles, calendars, cigar labels, etc.

Mr. Wagner showed some samples of cigar labels, flaps, etc., made by the American Lithographic Company, stating that such goods were sold through their agents in Holland, London, and Hamburg at prices which compete with those of German manufacturers.

The fact of the firm in question having special agents abroad proves that they have full confidence in their ability to compete in the open market without any protection.

The statement of the American importers of decalcomanias is of special importance as to the question of the ability of the American printers to compete under the existing rates of duty. All these importers have in course of time found it advantageous to establish factories in the United States, and they are in consequence certainly in favor of duties which give them full protection and which would eventually even make it possible for them to gradually cease importation.

Yet the committee of importers and manufacturers of decalcomania transfers expresses itself not only regarding the interests of printers, but also regarding the interests of the consumers, among whom the American potteries stand foremost, as follows:

While we admit the contention that the domestic producer should be protected as far as possible, the American potters have always looked and are now looking to the importers for their decorations, for the reason of their variety and their artistic conception, and being the outcome of the combined talents in Europe of artists employed by European decalcomania manufacturers and the foremost European china factories. The ideas and suggestions offered by these foreign artists have enabled the importers of foreign decalcomanias to give to American potters the immediate benefit of European talent and art for application on their own wares, thus enabling the American potter to enter into immediate competition with the imported article.

The brief closes as follows:

Therefore, in conclusion of the above, we respectfully beg to submit our argument resting briefly upon the two facts: First, a printing from a lithographic stone can be nothing but a lithographic print, no matter to what purposes that printing may be applied subsequently to the impressions being taken upon some yielding surface; second, these lithographic prints are the most important and essential raw material solely used by the American pottery manufacturers, and as such should receive a favorable consideration when embodied in a new tariff act.

Palm, Fechteler & Co., New York, also importers of decalcomanias and at the same time manufacturers of same, express themselves in a similar manner about the necessity of protecting the American consumers. They give a list of factories of decalcomanias which have been established in the United States within a short time, and state:

This list of names will show that all these manufacturers have established themselves in this country and are growing from year to year under the present conditions.

The two above-mentioned briefs differ inasmuch that the firm of Palm Fechteler & Co. is, in the main, in favor of maintaining the present rate of duties, while the committee of importers and manufacturers expresses the feeling that it would not be adverse to a reduction of the tariff.

The statement of J. Wolfe, of Philadelphia, is equally important.

Mr. Wolfe, who is one of the largest producers and importers of lithographic goods in America, states that the American printers turn out equally as good work as foreign printers, and sell much cheaper.

The above three statements have been dealt with at length as coming from importers and printers with whom the interests as American printers prevail.

The interests of the American consumers and importers have not received the least consideration from the National Association of Employing Lithographers.

As far as importers have defended their endangered interests by means of detailed briefs, they confirm what has been said above, especially complaining at the same time about the imitation of their patterns and the cutting down of prices by American printers.

Importer Wagner has proved that the imported cigar labels, flaps, etc., are more expensive than the American goods, stating at the same time that he gets no repeat orders, because all his good patterns are copied and sold at much lower prices owing to the lack of protection.

As final proof of the capability of the American lithographers to compete, special attention is drawn to the two facsimile copies of letters here appended.

1. Letter of the Pittsburgh China Decalcomania Company.

This firm offers to a pottery in East Liverpool a copied pattern of ceramic transfers which was originally manufactured by E. Nister, Nuremberg, imported by Messrs. Palm, Fechteler & Co., New York, and supplied at 25 cents for 18 cents; that is roughly 30 per cent cheaper. Regarding the quality the firm writes:

We venture to say that if you fire that sample you will find it equally good, if not better, than that which you buy from Palm, Fechteler & Co., for which you pay 25 cents.

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2. Letter of the American Lithographic Company, New York, to E. Nister, Nuremberg. In this letter the following sentences are of high importance:

Do you wish to enlarge your business in this country by catering to that much greater number who can not afford to pay the price asked for your regular production? If so, let us point out the way.

Many European houses have working agreements with houses here to whom they supply transfers on zinc from original drawings on stone; from these transfers for printing are made, large editions printed and sold.

We feel sure we can be of service to you, making money for you as well as for ourselves.

In this letter the American Lithographic Company, the largest concern of its kind in the United States, offers to a German printing firm the production of American editions which would be considerably cheaper than the same editions produced at Nuremberg and exported to America. The American Lithographic Company feels certain that both parties would make a good profit on such a transaction.

This letter is a most striking contradiction to the statements made by the same company to the Committee on Ways and Means, asserting that the American duties now in existence are absolutely insufficient. The letter is signed by Robert M. Donaldson, the same gentleman who among others signed the brief of the tariff committee of the National Association of Employing Lithographers.

This letter sufficiently characterizes the credibility of the said committee and its statements regarding the cost of production in Germany and America.

The above particulars in their totality absolutely prove that the American lithographic industry needs neither a higher duty nor even the present rate of duty, and would remain fully able to compete even with a considerable reduction of the same.

The brief of the tariff committee, National Association of Employing Lithographers, points to the disadvantage under which the American manufacturers are working, caused through high duties on imported materials, such as surface-coated paper, colors, bronze powder, metal leaf, etc.

If these assertions were really justified, a proposal to abolish or at least reduce the respective duties would seem the most natural, but the fact alone that no such proposal is made proves what the American protectionists are driving at. They simply want to do away with all import, in order to obtain under the protection of high duties and through syndicates or trusts, higher profits at the expense of American consumers.

The export which the American industry needs in growing measure would then be carried on at very low export prices to the injury of American consumers and foreign industries, but neither the one nor the other could put up with such an injurious and in the long run untenable state of affairs.

The statements referring to the American printing industry being burdened with duties on materials are moreover incorrect and misleading, as they would make it appear that the materials in question are on the average higher in price to the amount of duties stated.

The American printing industry uses principally American materials. The most valuable part of the materials used is paper, which is almost exclusively made in the United States, in superior quality and besides considerably cheaper than the German paper.

Papers which, like decalcomania paper and duplex paper, are partly imported, have also partly to be imported to Germany, as will be mentioned later on. The import of other materials is small as compared with the large production and affects the same only in a small way.

Mr. Meyercord's statements that the average duty on material is about 40 per cent to 50 per cent of the total cost of the product is therefore absolutely wrong.

Moreover, and in contradiction to Mr. Meyercord's statement, the fact may be mentioned that the German lithographers are compensated for low export prices through high home prices, producing principally for export, are by no means in such a position, whilst, on the other hand, they had to reckon in recent times with a considerable rise of the prices of materials and wages.

The materials used by German lithographers, such as duplex paper, bookbinders' cloth, silk ribbons, colors, etc., are also partly imported from France and England, and a duty of some importance is to be paid on such imports.

Mr. Meyercord's statement that materials may be imported into Germany free of duty provided the articles manufactured therefrom are exported is wrong. Such a right is granted in the United States, but not in Germany. Permission can be asked in each identical case, but is, as a rule, refused if the German manufacturers of such materials object. Besides, there are so many formalities to be gone through and so much time is lost, that in the lithographic branch such permission is hardly made use of.

These assertions on the part of those in favor of high duties entirely lack proof. The incorrect statements regarding wages and conditions of production in both countries, already referred to, can not be admitted as such, nor can the absolutely incorrect and

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misleading figures given by Mr. Meyercord be considered or accepted as proof. It is most significant for the position taken up by this gentleman if he said:

"I am a free trader above the 51 per cent basis."

Such convincing proofs will be furnished by the leading importers submitting samples of the leading articles imported within the last years in connection with lists showing the actual amount of specific duties paid under the present tariff and to be paid if a new tariff, as proposed, would be introduced.

Such material is now submitted by the author of these statements. The samples represent a large variety of the leading imported articles, and the lists show the duty of the bulk of these goods exceeds 25 per cent and runs up to 63 per cent of the actual market value, not to speak of the considerable expense for freight and clearing.

This proves that even the existing duties are mostly too high and should be reduced. Such a reduction is urgently wanted for childrens' toy books and booklets under 24 ounces (Position 400) but in fact the whole existing tariff could bear a considerable reduction without injuring the American industry.

A new tariff as proposed would mean an average increase of the duties to more than three times the present amount.

The duties would range in the main from 50 per cent to 237 per cent of the market value.

This clearly shows the intention of the American lithographers is to prevent importation.

In connection with the question of duties it seems of special importance, drawing again attention to the injustice done to the importers of lithographic goods through their samples being copied in America. In many cases the expenses for originals or manuscripts are very high. These expenses are included in the market price and duty is charged thereon. If, for instance, the market price for an article is $1 and the originals and designs are included in this price at 25 cents the unprotected originals (taking an average duty of 35 per cent) are charged 8¾ cents duty.

This is extremely unjust, as duties should be levied only on values, which are acknowledged as protected as much in the United States. In consideration of these circumstances, the duties on imported goods are actually very considerably higher than the tariff shows, and in the instance above given would figure out at about 50 per cent instead of 35 per cent.

Further a most important point may be mentioned. The actual protection of the American industry in general is increased far beyond the actual amount of duties, freight, clearing, expenses, etc., by the fact that the importer is bound to charge an appropriate profit not only on these large outlays but also on his considerable risks through unsalable goods and bad debts.

Mr. Meyercord, who certainly is no friend of the importers, backed up this statement by giving the figures of import as about $7,000,000, including stationery, adding:

After duty is paid and the cost of marketing, which is very large, makes it run up to $11,000,000 to $12,000,000.

It may be important to say a few words regarding the history of import duties on lithographic goods in the United States.

When the Wilson bill came up for discussion there was a long and bitter struggle concerning the lithographic schedule. Finally Chairman Jones, at the request of Senator Gorman, notified both the importers and the American manufacturers that they must come together and harmonize on an equitable rate of duty, fair to the principal interests on both sides. The Wilson-Gorman tariff was the result, and the principal parties on both sides signed an agreement in Washington, and their suggested schedule with certain modifications was finally passed by Congress.

When the Dingley tariff came up for discussion the more prominent American manufacturers and importers had a conference in New York and agreed after considerable discussion to request Mr. Dingley and the Ways and Means Committee to incorporate the Wilson tariff practically as it stood in the new Dingley tariff. This was done with some modifications.

Later, however, there was a considerable dissatisfaction, and the schedule was made and remade a number of times.

After a good deal of hard feeling and bitterness and fighting on both sides the leading American manufacturers and importers met at Washington and signed an agreement to accept the present schedule—paragraphs 398 and 400—as practically satisfactory to the interests concerned.

The American lithographers had a very strong influence, and practically had everything that Congress could possibly feel was just given them in the McKinley, the Wilson, and the Dingley bills. The agreement made and signed for the Dingley tariff is reported to be still in existence in the hands of the Treasury Department in Washington or at the appraisers' stores in New York.

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This shows that the present schedule is the result of many years' work, dissension, and discussion by all parties concerned.

The statements of the National Association of Employing Lithographers regarding the increase of import are quite as incorrect as those about wages, cost of material, etc.

In the brief of the National Association of Employing Lithographers the import is given as follows:

	Dollars.
1899	799,475
1907	3,968,542
1908	4,911,102

Mr. Meyercord, of Chicago, gave the figure of imports in 1908 as $7,000,000, and at another time as $11.000.000 or $12,000,000.

He was obliged to confess that the amount of $7,000,000 he had included the import of stationery, and that the amount of $11,000,000 or $12,000,000 was reached by taking the American market prices.

Mr. Meyercord is to be thanked for this important statement.

The great difference between the American market value and the market value of import as figured by Mr. Meyercord clearly shows to which extent the American lithographers are protected under the present tariff.

By this assertion Mr. Meyercord flatly contradicts another satement of his—that the American manufacturer receives only about 19 per cent protection. The above figures of Mr. Meyercord show a protection more than three times as much.

Mr. Meyercord also brought into comparison with his deceptive statements regarding the amount of imports the decrease of the American production during the crisis in 1908 by 30 per cent, that is to say, to $25,000,000, while the imports in 1908 had considerably increased in spite of the crisis.

This means another attempt of deception through a system of wrongly grouped figures, in which it is conspicuous that the amounts of imports for the years 1900 to 1906 are not given. Probably these figures did not suit the purposes of these gentlemen and were therefore left out.

As a matter of fact it would only be natural that the import should increase in proportion to the extraordinary development of the United States, the more so as since 1899 the import was considerably increased by new articles, which, like ceramic decalcomanias, were indispensable for the development of the American potteries, or, like postal cards, met a sudden craze which could not be satisfied by the American lithographers and is now on the decline.

In the brief handed to the Committee on Ways and Means by Wickham Smith on behalf of the leading importers, the import of post cards is mentioned as having been $3,000,000 within a year, while Mr. Otto Palm gives the imports of decalcomanias as being about $400,000. If these amounts are deducted the importation of regular goods shows only a figure of about $1,500,000, or about double the amount of what it was in 1899. This would certainly not be alarming.

But even this last figure may have to be corrected, as it appears that in American statistics the subcategories were not always drawn up in the same manner.

The official figures for the years 1899 to 1908 will have to be examined as to how much of the values given come in under the same position for lithographhic goods as the importations in 1899.

The proposals of the National Association of Employing Lithographers for increase of duties refer only to lithographic articles. In making a comparison we therefore have only to deal with this part of the imports.

The sections 403, 407, and 418, include certain lithographic articles, but the bulk of the goods falling under these sections have nothing whatever to do with the lithographic trade. Therefore further important amounts may have to be deducted from the above-mentioned figures.

It will be easy to get the correct figure from the American authorities.

The statement that the import in 1908 has considerably increased in spite of the crisis is also misleading. The American fiscal year 1908 runs from July 1, 1907, to the end of June, 1908, and official figures of import for 1908 are therefore affected by orders which were given before the crisis.

The German lithographic industry suffered at least as much from the crisis as the American did, and the German production was in 1908 in an appalling state of depression.

Moreover large amounts of money were lost by German lithographers through the American importers (especially of postal cards) not being able to meet their obligations.

In addition to the crisis the large and growing development of the three-color process has for years back brought about a falling off in the lithographic branch all over the world.

Much work which was formerly done exclusively by lithography is now done by that process, and this development is sure to increase still.

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It finally remains to be said that the statements regarding the amount of the American productions as given by Mr. Meyercord leave much room for doubt. It is quite impossible to ascertain with exactness the amount of production, and the estimated figure of $25,000,000 seems to be the result of a valuation just as arbitrary and deceptive as the other statements of Mr. Meyercord.

The positive fact remains that Mr. Meyercord's statement: "In twelve years American lithography has advanced possibly 20 per cent and the imported products 1,000 per cent in the same time" are absolutely untrue.

Incorrect declarations can hardly be prevented and will especially happen if duties are high. This should be no reason for increasing the duties.

In the lithographic trade the ascertaining of the real value of an article is very difficult, in fact nearly impossible. The cost of originals and plates is an important part of the cost of production, and the value of an original painting especially may be very high, according to the artist's standing.

These primary costs are then spread over the entire edition printed, and according to the quantity printed enormous differences in the price may arise. If, for instance, originals and plates for a particular work cost $500, the share per copy of an edition of 1,000 copies would be 50 cents, while for an edition of 50,000 copies this share would drop down to 1 cent a copy. This fact may have led to many difficulties with the customs, without there being any incorrect proceeding on the part of the importers.

For these reasons the importers are as far as possible in favor of specific duties which make incorrect valuation impossible.

As far as goods assessed ad valorem are concerned the large majority of importers no doubt declare correctly.

The author of the above statements is since 1886 interested to a considerable degree in the export to the United States. Within this large number of years he never experienced even the slightest difficulties with the American customs.

E. NISTER.

THE POST-CARD MANUFACTURERS AND ALLIED TRADES' ASSOCIATION ADVOCATE A DUTY OF ONE HUNDRED PER CENT ON SOUVENIR POST CARDS.

32 BROADWAY,
New York City, February 15, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned representing the largest manufacturers of souvenir post cards in the United States, as well as paper, printer's ink, and printing machinery, respectfully request of your honorable committee in behalf of these various interests—first: That souvenir post cards receive a specific classification; and, secondly, that rates of duty be imposed upon the importation of foreign post cards so as to enable the manufacturers of the United States to compete on an equal basis with European manufacturers. Such classification and duty will materially add to the revenue and also to the income derived by the Government through the postal service.

In order to establish the desirability and as well the absolute necessity of a proper law covering the importation of post cards, we desire to submit as briefly as we can commensurate, however, with the importance of the subject, the following facts relative to souvenir post cards and the importation thereof. We feel that this matter has not been heretofore brought to your attention with the force which its importance merits.

When the last tariff act was enacted, souvenir post cards were almost unknown in this country; consequently, there could have been no special consideration or classification thereof.

It was not until the year 1903 that post cards were imported into the United States in large quantities. Since that time the quantities and the importation thereof constantly increased.

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It is impossible to give accurate data as to the value in dollars and cents of the importation of post cards, for the reason that duties upon post cards were assessed under different sections and paragraphs of the tariff act. In order to better understand why this is so, we may enumerate some of the various types of cards imported:

1. Post cards produced by the lithographic process.
2. Post cards produced by the plate process.
3. Post cards which are hand painted.
4. Post cards produced by the photographic process called "licht druck," sepia, and photogelatin.
5. Post cards embossed and then colored by the air-brush process.
6. Post cards produced by the hand coloring process where only the key plate is printed in black and the coloring done by hand.
7. Post cards where the paper itself is colored.
8. Brome silver post cards, also called "bromides."
9. Post cards which are in whole or in part made of feathers or covered with hair.
10. Post cards covered partly or wholly with silk or plush, etc.

We have not attempted to name all the different kinds of cards that are made, but have simply given a few to show the great variety.

On lithographic post cards the duty now imposed is 5 cents per pound.

On cards printed by the plate process the duty imposed is 25 per cent ad valorem.

On feather cards, 35 per cent ad valorem.

On hand-colored cards, 25 per cent ad valorem.

On silk and plush cards, 50 per cent ad valorem.

Post cards being an article unknown to the tariff act, great confusion arose as to how they should be classified for duty, and it is a well-known fact that at different ports a different rate of duty is often charged on similar classes of cards.

By reason of the diversity of cards above enumerated there is no data to show the value of the total importations, but the amount is very large, as will readily be understood when it is remembered that in the years 1906–7 the importations at the port of New York alone averaged daily upward of 5,000,000 cards.

During the year 1908, on account of the depression in business, the importation of post cards was somewhat decreased, but in the month of January, 1909, there were imported at the port of New York alone an average of 3,000,000 cards daily.

Taking into consideration the fact that during the month of January no season cards are imported into this country, because it is too late for valentine and Easter cards, and too early for Thanksgiving, Christmas, and New Year's cards, and taking further into consideration that in all the other ports of the United States it is fair to assume that 2,000,000 more of cards were imported daily, we may draw the fair and just conclusion that 6,000,000 of souvenir cards are daily imported into the United States.

While, as stated above, we can not give any accurate figures as to the value of the cards daily imported, because they are assessed, some as lithographic prints, others as manufactured paper, others as silk, others as feathers, etc., yet we know that it must approximate $50,000 per day, because the prices of imported post cards range from $1.75 per thousand to $100 per thousand.

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We believe these figures clearly demonstrate that the article is of such variety and magnitude that it should be classified under a paragraph of its own.

It will not be seriously contended that the foreign manufacturers of souvenir post cards, especially those of Germany and Austria, have not for various reasons a decided advantage over the American manufacturers; so much so, in fact, that the American manufacturer is unable to compete upon anything like an equal basis in his own market with the European cards, and especially those of Germany and Austria, and unless a proper rate of duty is established, the time is not far distant when the American manufacturer will be compelled to retire from the business absolutely.

In order that your honorable committee may understand why this condition exists, it will be necessary briefly to advert to the method of manufacture of post cards as well as the existing and past conditions affecting the same.

Lithographic cards are produced from stones, and there are as many stones as there are colors desired, or if an original painting is to be exactly reproduced, as many stones as there are colors in the painting. Cards produced by this process often contain as many as 20 colors, and as for each color there is a stone, it necessarily follows that the more stones the greater the amount of labor required in the production of the card. Lithographic cards are generally printed on sheets containing 72, this being the most economical method. There is no way of ascertaining the cost of original sketches and paintings, because the price thereof varies according to the skill of the artist employed, his poverty, and the place where the card is reproduced.

In Berlin, Dresden, and Leipzig, where large quantities of post cards are printed, there are not only many impecunious painters, by reason of these cities being art centers, but there are also many art students, so that these sketches and paintings are procured by European manufacturers often at a nominal cost, and it is a present fact that a well-known artist residing in Munich, Germany, is now under contract with a manufacturer of post cards in that city to furnish 120 original paintings, illustrating the important events mentioned in the Old and New Testaments, at the price of 50 marks for each painting. An American artist of equal reputation and ability would not undertake to do this work for less than ten times this sum. All lithographic stones come from Bavaria, Germany, so the principal manufacturers of post cards in Europe are very near to the source of supply. If it is desired to produce a post card in 12 colors, it is necessary to have 12 stones, and the more colors that are to be reproduced the greater of course the initial expense, and the same preparatory steps are necessary in reproducing a painting or an original sketch by the three and four "color process" or "plate process." When the plates and stones are prepared the production of post cards simply becomes a printing proposition, and it will be readily seen from this brief outline that the greater cost in producing cards is not in the printing, but rather in the initial expense, and the more cards that can be printed, and for which a market can be found, the cheaper the production of the card will be.

To make this proposition clear we might offer the following supposititious case: Assume that the cost of reproducing a painting, including the work of the original artist, the cost of the stone, the

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labor of the lithographers, and all other work up to the time of printing is $25. Assume, further, that 5,000 cards of one subject are printed and that the printing of the card cost $1 per thousand, or $5 for the 5,000. This would make the actual cost price of producing 5,000 cards of one subject $30, or $6 per thousand. If the 5,000 cards are sold, and it is desired to print 5,000 more cards of the same subject, the stones or plates being already prepared, the price of the second 5,000 cards printed will of course cost the manufacturer but $1 per thousand, he having the stones, plates, or electros, as the case may be, in his possession.

It is, of course, well known to your honorable committee that in European countries, especially in Germany, souvenir post cards have been printed for over thirty years, and that when souvenir cards came into general use about the year 1903 in this country, the business was already well established in Germany. Large factories were then established for the purpose of producing souvenir post cards, and hundreds of millions of dollars were invested for this purpose alone. The foreign manufacturers had an experience extending over twenty-five years and were fully equipped to take advantage of any increased demand at a minimum cost. The industry in the United States was at that time in its infancy, and is almost so at the present time, while in Germany it was established upon a firm and solid foundation, and was then and is now so important a line of business that an exposition for the display of post cards is held twice yearly, on the first Mondays of March and September in Leipzig, to which come manufacturers from Germany and also from other and contiguous countries. However, 90 per cent of the exhibitors come from Germany—Berlin, Leipzig, Munich, and Dresden.

We state these facts simply to show the importance of the industry. When souvenir cards came into general use in the United States these German factories were fully equipped, having all the stones and plates prepared, so that they were able to print cards at a minimum cost.

Assuming for the present that labor and other conditions affecting the manufacture of post cards in the United States are the same as in Europe, and that the cost of printing a thousand cards is the same as in Europe, when the American manufacturer entered the field he found that he was barely enabled to compete with the European manufacturer, because the latter with little or no change whatsoever utilized his old stones and plates and it would cost him a dollar a thousand to print a card, while the American manufacturer would be compelled to pay for the original cost of plates, stones, etc., with the result that, still assuming that the economical conditions were the same, the European manufacturer could print from his stones and plates for $1 a thousand while it would cost the American manufacturer $6 per thousand. The inevitable result would follow. The American manufacturer could not compete and the American market has then been flooded with cards made in Germany and other European countries.

At each of the different expositions held at Leipsig in the years 1906–7 there were over thirty buyers of post cards from the United States alone. There were of course many buyers from other countries. Each buyer from the United States bought millions of post cards. The German post-card manufacturer suddenly realized that

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the demand for post cards was greater in the United States than in any other country and that here was practically virgin soil for this product. Quick to take advantage of the situation, they so handled it that at the exposition held in September, 1907, and March, 1908, there were but two foreign buyers and these were from the United States. German manufacturers of post cards did not wait for the buyers to come to them but they went to the buyers. Not only did they send their salesmen to the United States and canvass the country from coast to coast, not only did they appoint agents in different cities, especially in New York, where they had and still have a full line of their wares on display, but they established branch offices in this country, especially in New York, where they now carry a large and complete line of their goods, and it may be stated in passing that many cards do not change, and this especially true of flower cards where the same designs are used for years except occasionally where a new design may be added.

The result of all this activity was that for a long time the German and Austrian manufacturers were the only ones who sold lithographic and plate process cards in this country. Then the American manufacturer secured a small foothold by reason of the fact that he was on the ground, knew the American ideas, and produced cards to meet these ideas. The result of the matter was that the American manufacturer, although he was not able because of the cost of labor and material to produce as good a card as was made in Germany, notwithstanding, he had the field so far as post cards pertaining to American subjects were concerned alone. He was thus enabled to supply the American market with these cards, as for instance, cards showing Indians, mens' faces without beards, etc., figures of men wearing American shoes, American clothes, etc. The demand being large for these kind of cards, the American manufacturer was enabled to produce them at a low cost, because instead of printing 5,000 cards of a subject he could print from thirty to one hundred thousand cards and so reduce the initial cost of production. However, the foreign manufacturers were again quick to realize this fact and were just as quick to remedy it. They not only had their customers in the United States furnish them with sketches of American subjects, but also had their representatives furnish them with bare outlines of sketches, which by reason of cheaper labor and other conditions they completed in Europe, and from which they also made other paintings for reproduction. They employed and still employ American art students in Europe and also have Americans pose for them for photographs which are afterwards produced.

As a result foreign cards are now made by the lithographic process to conform with the dress and ideas of the American people. While in Europe, and especially in Germany and Austria, Christmas and New-Year cards were printed with pictures of pigs and mushrooms, these being considered lucky omens, as horseshoes and four-leaf clovers are with us, and while at first foreign manufacturers sent us Christmas and New-Year cards with pictures of pigs and mushrooms the significance of which we did not know, they now print post cards especially for the American market with horseshoes, hollies, and four-leaf clovers; in fact, the American trade is so important to the European manufacturers that certain factories are printing no cards except those for the American market, and some factories have their entire output sold for an entire year to some one importer.

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To further capture the American market, the European manufacturer, especially of Germany, sends samples of his cards to the consumer direct. He is enabled to do this at a very small cost, for the reason that he has an accumulation of post cards which he manufactured during the twenty-five years that he has been in business. The designs for these cards have not been sold in this country, but in other countries, so that the European manufacturer has no need to prepare stones, plates, etc., and afterwards find that there is no demand for the card. He takes no chance whatever, because he only sends samples of cards which he has already in stock or which he may not have printed within the last ten or fifteen years, and then simply resurrects the old stones and plates and prints sufficient in order to send out samples.

To compete with him the American manufacturer is compelled to undertake all the preparatory expense and to print at least one run of cards, that is, 3,500 cards, and if the cards do not sell, he has had the further expense of paper, printing, etc. The European manufacturer did not print any cards unless he received an order therefor, so that he was able to mail samples and show his goods without any expense whatsoever, except that of mailing. The American manufacturer in order to show samples is compelled to go to the expense of stones, artists' expense, printing, etc., which initial expense, as can be readily seen, is enormous, and the capital required to show a line of goods containing, say, 720 cards lithographed, would probably be in the neighborhood of $100,000, while the German manufacturer can show as many cards without the expense of one single dollar because he can use the accumulation of left-over cards printed in the last twenty or twenty-five years, and if no orders come in, he has suffered no loss.

By reason of this fact, the American manufacturer was naturally limited to the display of fewer designs, while the European manufacturer was able to show and did show fifty times as many designs of post cards without any expenditure whatsoever.

Under the German postal system samples when marked with the words "muster ohne werth," meaning "samples without value," are sent through the mails at greatly reduced postage, so that samples sent to the United States by European manufacturers and especially those of Germany are practically no cost.

As stated above, the large post card manufacturers of Europe not only send their salesmen to sell their wares in the United States, but also to other countries of North America as well as those of South America, and they have established agencies in the United States and also carry large stocks of merchandise in the city of New York. The small factories handling different lines of goods combine and send one salesman to represent them; that is, a manufacturer who sells lithographed cards, another who sells plate cards, and another one who sells bromides, and still another one who may sell hand-colored cards, unite and hire salesmen to show their lines, there being in this way no conflict between the different manufacturers. Others have resident agents in the United States to show their wares, so that one resident agent or salesman is enabled to show samples of all kinds of post cards, and in this way cover the entire field in the post-card line. It is of course impossible for any one post-card manufacturer in this country to manufacture all the different kinds.

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These are the conditions which confront the American manufacturer to-day, and it is no wonder that he is being gradually but surely eliminated from the post-card field, and it results that before he has fairly gained a foothold he is losing the same, so that even if like economical conditions are applicable to both the European and domestic manufacturer, yet, under the present conditions, the domestic manufacturer will not be able long to exist.

It should be distinctly understood that while the manufacture of post cards in European countries is an old established enterprise, in the United States it is in a formative state. Moreover, when they first came into general use in this country the consumer bought any kind of card having a picture on it, and the execution of the work was a matter of indifference to him, so that the American manufacturer was enabled in a measure to compete in certain lines with the European manufacturer by sacrificing artistic details. As the cards came into more general use, however, the consumer became more critical and demanded the highest form of execution, even to the artistic details. The foreign manufacturer having been in the business for a quarter of a century has mastered all mechanical and other problems which necessarily arise in any new enterprise and which still confront the American manufacturer.

It is next to impossible to enter the factory of a German manufacturer; the secrets of the trade are by them very jealously guarded, so that the American manufacturer is compelled to learn for himself how to overcome many problems in order to be able to produce his article in the most economical manner.

We have not up to this point touched upon those cards which are made mostly by hand. In this line of work the American manufacturer is absolutely shut out. The cards which we have discussed relate to those where after the original work is completed, such as making stones and plates, the actual work on the card is done through presses. There is, however, a large proportion of cards where each card is handled separately and passes through many hands, and where the picture that is on the card is made by hand, including coloring, etc. Under this head would come air-brush cards, hand-painted and hand-colored cards, silk cards, and numerous others of similar kinds. On these cards, as will be shown hereafter, the labor comprises about 90 per cent of the value. Taking into consideration the undisputed fact that labor in foreign countries is very much cheaper than in the United States, this explains why we have been able to produce but a negligible amount of these cards in this country, and the reason we could produce any of these cards was because the American manufacturer was familiar with the American tastes and ideas and could produce cards especially appealing to such taste.

It may be stated that most foreign cards that are manufactured can be used in any country simply by translating the words on the card into different languages. To illustrate this: If the foreign manufacturer prints a series of birthday cards, he can supply the entire world with that same card by simply translating the words "A happy birthday" into German, French, or Swedish, etc., at practically no expense, or if he prints a "birth" card with "A boy just arrived" or "A girl just arrived," this text can be translated into different languages and the card can be used in every country of the globe.

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The difference in labor is such an important factor that the greater portion of fancy cards—that is to say, where each one is handled separately—that many are made in Austria rather than in Germany, because even with the low wages that are paid in Germany the Germans can not compete with Austrian goods. Wages in Austria are 20 per cent lower than those of Germany in this industry.

Up to the present time we have discussed the condition of manufacturing post cards upon an assumed hypothesis and all economical conditions for the production of this article were the same in this country as in Europe, and even upon such false premises we have endeavored to show why it is impossible for the American manufacturer to compete in the marts of the world with the foreign manufacturer, and why it is absolutely impossible for the American manufacturer to supply the home market, but to allow other countries to furnish us with an average of 6,000,000 post cards daily, at prices ranging from $1.75 per thousand to $100 per thousand.

We may safely say without any fear of contradiction that if one-half the cards which are imported were made in this country—and they can be made here just as well and just as artistically as in foreign countries—the manufacture thereof would give additional employment to at least 10,000 people.

While it is true that many of the elements required to make up the post cards are imported, nevertheless the manufacture of the paper alone required in this enormous amount of cards would give employment to hundreds of men yearly. Inks that are used are also a material factor. Then comes the labor which is needed to manufacture the card itself, which will employ thousands of hands.

It is claimed that souvenir post cards are a craze, but this is flatly contradicted by the fact that during the month of January, 1909, a daily average of 3,000,000 cards were imported into the port of New York alone. Souvenir post cards are not a craze. They have become a useful article, and it is our firm conviction that as time goes by they will become more universally employed. At first post cards in this country were used to send views of different places. Afterwards there were added birthday cards, birth cards, valentine cards, Easter cards, New Year cards, cards for the Fourth of July, cards for Thanksgiving, cards for Christmas, and cards for national events. While this is being written, hundreds of millions of post cards are being sold by reason of the Lincoln celebration, and as these special events occur so will the use of post cards increase, so that instead of being a craze, its use is a settled habit, and we feel that this usefulness will steadily increase and the production thereof will increase rather than diminish. The question which naturally presents itself is how conditions can be made so that post cards can be sold to the consumer at practically the same price as at present, the revenue of the Government not be diminished, and the larger part of all the post cards used in the United States be made in this country, thus giving employment to our own artists and workmen, and using material that can be made in our own country rather than that made in foreign countries.

There is nothing in the manufacture of post cards so intricate that we can not produce the cards in the United States just as well as they can be made in foreign countries, and everything being equal, we believe we will produce a better card at the same price in this

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country. In other words, if the American manufacturer of post cards can protect his labor and procure his material at the same price that the foreign manufacturer procures his, the ingenuity of the American manufacturer would be able to overcome these obstacles and manufacture a better card than the foreign manufacturer, and would be able to supply the markets of his own country, despite the fact that the foreign manufacturers have an experience of thirty-five years in the manufacture of cards, have mastered all the intricacies of the trade, having the markets of the world so as to be able to reduce the cost of a production to a minimum, we say despite all this, we feel assured that the American manufacturer would be able to hold his own in the United States if the difference in the cost of labor and material were slight. But here is the crux of the situation—the difference in the cost of labor and material is not slight. The difference is so very great, especially in labor, that we call your attention to the actual figures:

LITHOGRAPHIC POST CARDS.

We shall first take up the question of post cards made by the lithographic process. We have appended hereto Exhibit No. 1, showing the cost of the materials up to the time when they are ready for printing; and secondly, the actual cost of printing after the materials have been prepared. We have based our calculations upon the cost of printing 72 different designs, 3,500 of each design, which is the customary way of printing lithographic post cards abroad.

It will be seen that the initial cost for producing stones per subject in Germany is $8.25, in the United States $42.93. After the preparation of the stones the actual cost of printing in the United States is $2.43 per thousand cards, while in Europe the cost per thousand is $1.02. At the present time the duty upon this style of card is 5 cents per pound, and there are approximately 10 pounds to the thousand cards. Thirteen cents per thousand cards is more than sufficient to cover the freight from Berlin to New York and the incidental expenses connected with a shipment of cards; so that, including freight, duty, and other incidental charges, the difference in the printing in the United States and foreign countries is 68 cents in favor of the foreign countries.

In ordinary circumstances the largest number of single cards that is printed is 14,000. Inasmuch as the initial cost without the printing is $42.93 for each subject, that would make the cost of the stones, etc., $3 per thousand. Add to this the sum of $2.43 for printing a thousand cards, it costs the manufacturer in the United States $5.43 per thousand cards ready to market; while to the German manufacturer the cost per thousand would be 60 cents initial, $1.02 printing, 13 cents freight, and duty 50 cents, which would allow him to land his cards in New York ready to market at $2.25 per thousand. It must also be remembered that the cards produced in the United States are limited to the home market and the home manufacture can only supply the home market, and as stated above, a run of 14,000 is under ordinary circumstances more than he can dispose of in this country. The European manufacturer is able to ship his cards to all parts of the world, and is therefore able to print instead

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of 14,000 for fifty to one hundred thousand cards of each subject, so that his initial cost is reduced to almost nothing, while as seen above, even though the American manufacturer disposes of his initial run and 3 reprints, his initial cost is still $3 per thousand, but since the markets of the world are open to the foreign manufacturer the 60 cents which he must pay for the initial expenses is entirely wiped out. We may further say that there are a good many countries to which the European manufacturer ships cards which do not produce any cards at all, so that in such countries he is able to charge a much higher price on his cards, and in consequence to charge a comparatively lower price to countries such as the United States where post cards are printed and he meets competition.

It will be seen from these figures that in order to produce lithographic cards by reason of the difference in all labor and material in this country and in Europe, it costs the manufacturer of this country $3 more per thousand to manufacture lithographic cards than it does the foreign manufacturer to land the same cards in this country, and this is after all the charges, including the present rate of duty, have been added to the cost of the card to the manufacturer. In fact it costs the domestic manufacturer more than twice as much as it does the foreign manufacturer. To place the American manufacturer on the same footing as the foreign manufacturer, instead of a duty of 5 cents per pound, approximately 50 cents per thousand, as at present, a duty of 35 cents per pound should be imposed upon lithographic cards to partly cover the difference of $3.50 which it costs the American manufacturer more than the foreign manufacturer, which difference is made almost entirely because of the difference between the cost of labor in this country and foreign countries.

WAGES.

In Exhibit No. 2, attached hereto, we quote the scale of wages paid in this country and in foreign countries to persons engaged in the manufacture of lithographic post cards. By having a duty of 35 cents per pound imposed upon lithographic cards imported into this country the revenues of the Government will not be diminished because a certain amount of cards will always be imported, and at the same time instead of keeping German and other factories busy producing these cards as well as using German paper, inks, and presses we shall use our own inks, our own presses, and our own paper, and we feel sure that this protection will give an impetus to the production of lithographic cards so that more uses will be found for them and the postal revenues of the Government thereby increased.

EMBOSSED AIR-BRUSH CARDS.

These cards are embossed by machines from dies that have first been made of a subject desired to be reproduced upon post cards.

The cost of dies varies according to the design to be reproduced. The dies may cost all the way from $15 to $25 or $40 in this country. In foreign countries, especially Germany, the dies can be produced for one-fourth of what they can in this country. After the post card has received the impression of the die, the colors are then applied by hand through the medium of the air brush. The more colors that are

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produced the more labor is necessarily required. In fact the greater portion of the cost of producing an air-brush card is by far the labor. The colors used on these cards are also imported from other countries and a duty thereon imposed. We may state in passing that upon many of the materials required in producing post cards, such as fancy paper, aniline coloring, tinsel, bronze, metal leaf, and a good many articles used for decorating, such as silk, satin, plush, etc., a duty is imposed up to 50 per cent ad valorem, so that the materials cost the manufacturer in this country just so much more than it does the manufacturer in foreign countries.

It will be seen by consultmg Exhibit No. 3, hereto attached, that while in this country men only are employed for the embossing process, in Germany a good many women are employed. It will also be noted that for the same kind of work in the United States the wages are three, four, and five times as high as they are in Germany, and in no instance are the wages paid in this country less than twice as much as those paid in Germany, and the same applies to Exhibit No. 4, which shows the comparative scale of wages paid for coloring by the air-brush process in Germany and in the United States. In coloring these cards to produce the most artistic effect a stencil is used; for this reason most of these cards are produced in this manner as the people of this country demand artistic work.

The cutting of the stencil is done by hand, and there must be as many stencils as it is desired to have colors produced. As the prices of air-brush cards vary from $4 to $15 per thousand, depending upon the amount of labor required to produce the card, it is manifestly impossible to impose a specific duty. Taking into consideration the fact that the cost of labor, which is the principal item in the production of this card, averages three times as much in this country as in Germany, where the greater portion of these cards are now made, and considering further that the cost of paper is 25 per cent more to the domestic manufacturer, and that there is a duty imposed upon the coloring matter that is used, we believe that the imposition of a duty of 100 per cent ad valorem on this class of cards should be imposed.

While this would not afford complete protection to the American manufacturer, nevertheless he would have a fighting chance, as he is on the ground, knows the American taste, and can provide for the wants of his customers quicker than the foreign manufacturer.

PHOTOGELATIN CARDS.

The comparative cost of labor on photogelatin cards in Germany and the United States is ascertained from figures submitted by the manufacturers of these cards, under date of November 21, 1908.

It will be seen that the wages paid to the American workmen engaged in the production of this kind of card average 200 per cent more than those paid to the German workmen. It will also be seen that the cost of material is twice as much in the United States as it is in foreign countries.

Furthermore, by the process used in the manufacture of this card any design can be produced at practically no initial cost, and the cards can be turned out in quantities of 1,000 at a single printing, so that an especially attractive card printed in this country can be quickly reproduced by the foreign manufacturer at less than one-half the cost to the American manufacturer. The result of the

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matter is that if the American manufacturer receives an initial order or prints a line of cards by this process, he never receives a reorder of the initial order, and quickly has his own designs copied and the cards landed in this country at one half of what they cost him to produce here. The German manufacturer will print either from original designs or reproduce cards in large or small quantities at $1.75 per thousand f. o. b. Berlin, while it costs the American manufacturer more than $5 to produce the same card. With the present rate of duty of 25 per cent upon cards of this kind it is manifestly impossible for the American manufacturer to enter the competitive field in this country, and practically all cards of this kind are imported from Germany. Taking into consideration the vast difference in the cost of both labor and material, the labor in itself constituting fully 75 per cent of the value of the card, and the fact that the machines which are used in order to produce this card are imported and a duty of 35 per cent thereon imposed, it is clear that the duty now imposed is wholly inadequate. We would respectfully suggest a duty of at least 75 per cent ad valorem upon photogelatin cards.

HAND-COLORED CARDS.

There are no exact figures given to show the difference in the cost of labor in the production of these cards in the United States and in Europe, labor being the principal item of expense. These cards are generally photogelatin cards (called in Germany "licht druck"), first printed in black and the colors afterwards supplied by hand. These cards are generally produced in the homes of people engaged in such work, there being very few factories in Europe producing these cards. This being a home industry, it is reasonable that the maximum amount of labor can be procured at the minimum of cost, and on cards not requiring artistic details children are employed upon the work. As stated above, no statistics from the very nature of the work are available. Labor representing 90 per cent of the value of the card, and the cost of the labor required for the production of this card being more than three times as great in the United States as in Germany and Austria, a duty of at least 100 per cent should be imposed.

HAND-PAINTED CARDS.

These are cards where the entire subject-matter appearing upon the card is painted by hand in colors.

There can be no basis of comparison between the cost of production of such cards in this country and in Europe, it being entirely hand work; each individual card stands by itself. It depends largely upon the quickness of the artist employed in painting the card as well as his artistic ability. Such cards may vary in price from 10 cents to $5 each, and even higher. Inasmuch as this entire card represents labor, we respectfully suggest that a duty of 100 per cent ad valorem be imposed.

FANCY CARDS.

Under this head we might include cards that are partly or wholly covered with silk, satin, plush, and feathers, as well as other materials, including metals. On cards covered with silk, velvet, plush, etc., the duty of 50 per cent ad valorem is now imposed. This is wholly inadequate, because in the first place on some of the cards the prin-

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cipal materials used being silk, velvet, plush, fancy paper, etc., there is a duty of 50 per cent thereupon to start with, and therefore the cost of material alone is more than 50 per cent higher to the domestic manufacturer than it is to the European manufacturer. Furthermore, 90 per cent of the labor required in the production of these cards is done by hand. The silk or satin, or whatever the material may be, is first attached to the card by hand and the coloring which the card contains is usually done by the air-brush process or hand painted. It is slow, laborious work, and by reason of the fact that it is an expensive card great attention must necessarily be given to details. The tendency now is to produce an artistic card in order to conform with the growing artistic taste of the American public. For this reason the demand for this class of cards will constantly increase. In as much as the material is very much higher in this country and the card is produced mostly by hand and in that way comes into direct competition with the much cheaper labor markets of other countries a duty of at least 100 per cent should be imposed, rather than the duty of 50 per cent which is now applied to these cards.

We respectfully call your attention to Exhibit E of the appendix hereto attached, showing the comparative cost per thousand of cards decorated with silk to the manufacturer in Germany and to the manufacturer in the United States. It will be seen from this that the cost of this particular card is almost three times as much in the United States as it is in Europe, and this difference will increase in ratio with the value of the card, so that we feel in advocating a duty of 100 per cent ad valorem we are not asking for a duty that is prohibitive but one which will require all the ingenuity of the American manufacturer to allow him to enter upon the field of competition.

CARDS BY THE SCREEN OR COLOR PLATE PROCESS.

These cards are manufactured by using three or four plates made of zinc, copper, etc. The cost of these plates is practically twice as much in this country as it is in foreign countries. The difference in labor is the same. The cost to the domestic manufacturer of the paper is 25 per cent more. We have not quoted any figures as to the cost of plates, labor, and paper necessary to produce cards by this process, because we know that the statements made herein as to the difference in the cost of plates, labor, and material to the domestic and foreign manufacturer can not be successfully assailed. The duty at the present time upon this kind of post card is 25 per cent. We respectfully suggest that upon all cards of this kind imported into this country a duty of 50 per cent ad valorem be imposed.

FINALLY.

The Post Card Manufacturers' and Allied Trades Protective Association submits this brief and follows the same with a suggested paragraph, which, after most careful consideration, they believe to be equitable and protective, but not prohibitive. All that is sought by your memorialists is to create in the revised tariff act such a paragraph covering this new business of post cards as shall place the American manufacturer upon an equal, not a superior, footing with his foreign competitor. As the entire business is new, it has been

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necessary to be somewhat elaborate in defining the conditions; but when it is remembered that the present importations run from $40,000 to $50,000 in value per day, and that the home production represents an investment of many millions of capital and the employment of many thousands of workmen, and, further, that a proper and reasonable duty upon these goods will without doubt materially increase the Government's revenue, and will greatly stimulate the home production, thereby again adding to the Government revenue through the increase of the sale of stamps, it will be realized that our brief is none too long.

We respectfully pray that it receive careful consideration, and we assure the honorable Committee on Ways and Means that at any time this association will promptly reply to any and all questions which may arise in the minds of the committee or will, if requested, send experts in this matter to give testimony before your honorable body.

THE POST CARD MANUFACTURERS' AND ALLIED TRADES' PROTECTIVE ASSOCIATION,
By FRANCIS E. HAMILTON AND LOUIS HENRY,
Their Counsel.

EXHIBIT A.

Comparative figures between Germany and the United States of the initial cost of 72 subjects of cards to be produced by the lithographic process.

	Germany.		United States.	
		Marks.		
72 sketches, 1 artist 15 weeks, at...	50 marks per week.....	750	$60 per week.....	$900.00
72 subjects on stone, engraved or stippled, 1 artist 72 weeks, at.	22 marks per week, allowing for artist 28 marks and apprentice 10 marks.	1,584	$28 per week.....	2,016.00
Proving, 1 prover, 6½ weeks, at...	22 marks per week. allowing for prover 28 marks and apprentice 10 marks.	143	$27 per week.....	175.00
		2,477 $594		3,091.00
Per subject.....	.....	$8.25	.....	42.93

Comparative figures between Germany and United States for printing, including paper, 72 subjects, 12 colors and bronze, and 1 color for address side, and embossed. Bronze is considered in the trade as two colors, by the lithographic process based upon printing 3,500 cards of each subject, not including initial cost, as shown above.

	Germany.		United States.	
		Marks.		
15 days' printing, 1 pressman, 1 feeder, 3 press boys, at.	10.15 marks per day.....	152.25	$10.65 per day.....	$159.75
Stone grinder.....	.....	14.00	.....	17.00
Stone carrier.....	.....	10.00	.....	12.00
Transferring.....	.....	100.00	.....	112.00
Cutting.....	.....	7.50	.....	9.60
Embossing.....	.....	16.00	.....	20.00
Inks.....	.....	65.00	.....	30.00
Paper.....	.....	700.00	.....	252.00
		1,064.75 $256.74		612.35
Per 1,000 cards.....	.....	$1.02	.....	2.43
Freight.....	.....	$0.15		
		$1.17		

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EXHIBIT B.

Scale of wages for lithographic cards.

	Germany.	United States.
Lithographic stipple artist	18 to 35 marks; average, 25 marks.	$20 to $45 per week; average, $28.
Lithographic crayon artist	do	Do.
Lithographic engravers	do	Do.
Lithographic transferrers	do	$22 to $35 per week.
Lithographic pressmen	do	$22 to $28 per week; average, $25.
Lithographic feeder	10 to 15 marks (girls and boys).	$12 to $18 (men only).
Lithographic press boys	8 marks (girls and boys)	$7 to $8.50 (boys only).
Lithographic stone grinders and polishers.	12 to 15 marks (not considered skilled laborers).	$16 to $18.
Lithographic stone porters	10 to 15 marks	$10 to $15.
Lithographic prover	18 to 30 marks	$22 to $40; average, $27.
Lithographic foreman, pressroom	35 to 50 marks	$45 to $75.
Lithographic foreman, artist		
Apprentice for transferrer	1 apprentice to each transferrer.	1 apprentice to 3 transferrers.
Apprentice for prover	do	No apprentice allowed.
Apprentice for artist	2 apprentices to 5 artists	1 apprentice to 5 artists.
Wages paid to apprentices	First year, 6 marks; Second year, 9 marks; Third year, 10½ marks; Fourth year, 12 marks	$12 to $18.
Cutters	18 marks, but mostly girls at 10 to 12 marks.	$18 to $22.
Sketch artist	20 to 60 marks	$50 to $100.

EXHIBIT C.

Scale of wages paid for embossing.

	Germany.	United States.
Feeders	60 to 75 pfennigs per 1,000 sheets; earn 10 to 18 marks (mostly girls).	$15 to $18 (men only).
Counter maker	25 to 27 marks; permitted 1 counter maker to 50 feeders.	$18 (men only) if he makes counters for one machine; for every additional machine, $2 per week extra.

GOLD LEAF STAMPING.

Girl stampers	14 to 18 marks (mostly piecework, 3½ to 4 marks per 1,000).	Men only, $15 to $18.
Girl dusters	7 to 8 marks	Girls, $6 to $9.
Shop girls	In Berlin, 14 to 16 years, 7 marks; 16 years, 8 marks, with 17, 1 mark per week, raised every year until the salary of 12 marks is reached, then 1 mark per week every three years is raised. Experienced help at 12 marks is plentiful. In small towns the salary is about one-half.	In New York City, $5 to $15. Experienced help can not be procured for less than $10 to $12.

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EXHIBIT D.

Comparative cost per thousand of producing cards colored by the air-brush process in Germany and United States.

	Germany.	United States.
	Marks.	
Cardboard	250	$0.85
Embossed	50	.50
Cutting	5	.10
Address side printing	10	.15
Five stencils	600	3.75
Color	50	.75
Examining	15	.20
Stencils	40	.50
	10.20	6.80
	$2.44	.....

The above calculation does not include the original die that costs here about four times as much as in Europe. The above calculation is based on cardboard manufactured in the United States, but this class of cards is mostly manufactured on fancy cardboard, which is all imported from Germany and pays a duty of 20 per cent ad valorem and 3 cents per pound, the duty and freight amounting to about 60 per cent of the value. Also all the colors used for this process are imported and pay duty.

EXHIBIT E.

Comparative cost per thousand for the manufacture of cards decorated with silk in Germany and United States.

	Germany.	United States.
	Marks.	
Board	5.32	$2.00
Embossing	.15	.50
Cutting	.05	.10
Board for address side	.55	.55
Printing address side	.10	.10
Coloring by air-brush, four colors	6.00	4.00
Color and alcohol	2.00	1.00
Stencils	.40	.40
Silk	14.75	6.60
Cotton	1.00	.50
Cutting out circle	.70	.60
Powder	2.00	1.25
Lettering	3.20	5.60
Envelopes	1.40	.55
Pasting on silk and filling in of cotton and finishing	10.00	6.50
	47.62	30.25
Freight	.30	.....
Per thousand	$11.72	30.25

EXHIBIT F.

PROPOSED PARAGRAPH.

Post cards, whether in sheets or cut, and whether printed on both sides or not; lithographic where the majority of colors are printed from stone, zinc, aluminum, or other material, thirty-five cents per pound.

If printed by the three or four color plate process or showing the use of a screen, fifty per centum ad valorem.

If hand painted, one hundred per centum ad valorem.

If made by the photogelatin process or if printed from glass plates or gelatin, seventy-five per centum ad valorem.

If colored by air-brush process, embossed or plain, one hundred per centum ad valorem.

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If made by photogelatin process and hand colored, one hundred per centum ad valorem.

If decorated or covered wholly or in part with feathers, hair, cotton, tinsel, plush, silk, metal, or metal products, or any other material whatsoever, one hundred per centum ad valorem.

All other cards not hereinbefore specifically enumerated, one hundred and fifty per centum ad valorem.

THE ROCHESTER (N. Y.) LITHOGRAPHING COMPANY FILES STATISTICS SHOWING THE INCREASE IN FOREIGN IMPORTATIONS OF LITHOGRAPHIC PRINTS.

ROCHESTER, N. Y., *March 1, 1909.*

Hon. S. E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: Through the efforts of the National Association of Employing Lithographers a few government statistics have been gathered and published relating to imports and duties on lithographic work, and we inclose herewith a copy of these schedules which certainly present an alarming condition as affecting the lithographic industry in the United States. We respectfully ask that in adjusting the new tariff law that you will thoroughly acquaint yourself with these figures, and note the injustice of the present Dingley law as applied to our industry. It is apparent by these figures that the protection intended by Congress under the Dingley law was approximately 45 per cent, and that the American lithographer in reality receives only 20 per cent protection. This is less than one-half of what was considered proper and needful by framers of the Dingley tariff. It is quite evident that importers entered large quantities of merchandise under improper headings and in classes other than those in which they were intended to go. In other words, these goods which were improperly classified were given undervaluation. During the period that this Dingley law has been in force the amount of imports of lithographic merchandise has increased several hundred per cent, and although we are members of the National Association of Lithographers we take the liberty of appealing to you individually for justice and protection when you are considering the new law. The protection which we have received under the Dingley law has been entirely inadequate and so low as to appear absurd, especially in view of the difference in the rate of wages in the United States and abroad. Labor is the principal item of lithographic production. The fact that we have suffered a great injustice and have not received the protection intended by Congress under this Dingley law, gives us a strong argument and encourages us to ask for more favorable consideration. Great damage has been done to our industry through this erroneous law. Our domestic production has been greatly diminished, and the foreigner has also reaped great benefit on account of the very large increase in consumption of lithographic goods in the United States.

We sincerely trust that you will examine carefully the appended table (Exhibit A), and that you will use your best efforts to see that justice is given to the American lithographers.

Thanking you in advance for your kind consideration, we are,

Yours. truly,

ROCHESTER LITHOGRAPHING COMPANY,
M. B. FOX, *President.*

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EXHIBIT A.

Schedules of imports and duties mentioned in annexed letter.

LITHOGRAPHIC PRINTS FROM STONE, ZINC, ALUMINUM, OR OTHER MATERIAL, BOUND OR UNBOUND.

[Acts of 1894 and 1897; for act of 1890, see No. 2929.]

Fiscal year ended June 30.	Rate of duty per pound.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
No. 2905. On cardboard or other material exceeding $\frac{30}{1000}$ inch in thickness (under general tariff):	*Cents.*	*Pounds.*	*Dollars.*	*Dollars.*	*Dollars.*	*Per ct.*
1895	6	364,547.88	88,993.90	21,872.87	0.24	24.58
1896	6	703,561.30	196,173.50	42,213.66	.28	21.52
1897	6	599,376.25	170,387.00	35,962.57	.28	21.11
1898	6	1,581.00	476.00	94.86	.301	19.93
		525,696.00	147,201.28	31,541.73	.280	21.43
1899	6	605,235.66	165,791.28	36,314.14	.274	21.90
1900	6	638,601.83	169,139.00	38,316.11	.265	22.65
1901	6	766,168.33	188,058.00	45,970.10	.245	24.44
1902	6	924,979.32	228,861.32	55,498.76	.247	24.25
1903	6	1,258,573.91	300,434.00	75,514.44	.239	25.13
1904	6	1,513,483.08	346,271.00	90,808.98	.229	26.22
1905	6	1,531,732.16	363,233.48	91,903.96	.237	25.30
1906	6	2,331,586.37	541,051.25	139,895.19	.233	25.86
1907	6	2,396,823.13	619,300.00	143,809.39	.258	23.22

Increase of 650 per cent plus.

LITHOGRAPHIC PRINTS FROM STONE, ZINC, ALUMINUM, ETC.

[Acts of 1894 and 1897.]

No. 2906.—On paper or other material, not exceeding $\frac{30}{1000}$ inch in thickness (under general tariff):						
1895	20	96,619.43	71,544.00	19,323.88	0.74	27.01
1896	20	132,548.43	92,831.00	26,509.68	.70	28.56
1897	20	110,181.88	89,333.07	22,036.38	.81	24.67
1898	20	114,586.00	115,778.00	22,917.05	1.01	19.79
1899	20	125,471.38	131,573.85	25,094.28	1.05	19.07
1900	20	160,029.50	150,931.28	32,005.90	.943	21.21
1901	20	172,589.40	181,610.00	34,517.88	1.05	19.01
1902	20	268,042.22	223,732.00	53,608.44	.835	23.96
1903	20	200,303.14	227,302.00	40,060.64	1.14	17.62
1904	20	267,880.21	287,742.00	53,576.07	1.07	18.62
1905	20	266,561.95	304,414.00	53,312.99	1.14	17.51
1906	20	304,200.59	388,472.75	60,840.12	1.28	15.66
1907	20	414,229.40	468,650.50	82,845.86	1.13	17.68

Increase of 420 per cent plus.

EXCEEDING $\frac{30}{1000}$ INCH AND NOT EXCEEDING $\frac{60}{1000}$ INCH IN THICKNESS, CUTTING SIZE IN DIMENSIONS.

No. 2907. Not exceeding 35 square inches:						
1895	5	261,623.70	92,807.00	13,081.20	0.35	14.10
1896	5	429,768.00	164,481.00	21,488.48	.38	13.06
1897	5	503,428.30	184,129.00	25,171.43	.37	13.67
1898	5	488,583.00	191,860.11	24,429.13	.393	12.73
1899	5	399,147.80	161,619.00	19,957.39	.405	12.35
1900	5	569,459.41	198,629.00	28,472.99	.349	14.33
1901	5	500,636.75	189,089.00	25,031.84	.378	13.24
1902	5	508,916.51	174,876.00	25,445.84	.343	14.56
1903	5	721,249.20	263,388.00	36,062.48	.365	13.69
1904	5	780,249.59	318,050.00	39,012.52	.408	12.27
1905	5	759,255.21	293,918.00	37,962.79	.387	12.92
1906	5	1,682,412.25	644,066.64	84,120.63	.383	13.06
1907	5	6,467,846.39	2,034,922.10	323,392.35	.315	15.89

An increase of 2,400 per cent plus.

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Schedules of imports and duties mentioned in annexed letter—Continued.

LITHOGRAPHIC CIGAR LABELS, FLAPS, AND BANDS, LETTERED OR BLANK, PRINTED FROM STONE, ZINC, ALUMINUM, OR OTHER MATERIAL.

[Act of 1897.]

Fiscal year ended June 30.	Rate of duty per pound.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
No. 2901. Printed in less than 8 colors, but not including metal-leaf printing (under general tariff):	*Cents.*	*Pounds.*	*Dollars.*	*Dollars.*	*Dollars.*	*Per ct.*
1898	20	30,400.00	29,914.00	6,080.23	0.984	20.33
1899	20	36,537.26	33,829.00	7,307.45	.926	21.60
1900	20	51,886.50	42,362.00	10,377.30	.816	24.50
1901	20	61,731.05	47,739.25	12,346.21	.773	25.86
1902	20	76,405.95	54,208.21	15,281.19	.709	28.19
1903	20	97,344.50	72,296.35	19,465.90	.743	26.93
1904	20	88,910.00	64,229.34	17,782.00	.722	27.69
1905	20	75,162.10	57,264.05	15,032.43	.762	26.25
1906	20	129,939.95	112,353.10	25,987.98	.865	23.13
1907	20	226,886.79	216,746.80	45,377.36	.955	20.94

An increase of 740 per cent plus.

The years 1895, 1896, and 1897 represent the Wilson-Gorman law. From 1898 to present time represent the Dingley law.

THE GRAY LITHOGRAPH COMPANY, NEW YORK CITY, STATES THAT CRITICAL CONDITION OF LITHOGRAPH INDUSTRY DEMANDS AN INCREASE OF TARIFF.

CANAL AND LAIGHT STREETS,
New York, March 4, 1909.

Hon. SERENO PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: I feel that it is important that as chairman of the Ways and Means Committee you should know of a call made to-day at our establishment by the representative of one of the largest foreign lithographers in Europe.

This gentleman called with the representative of a manufacturer of lithographic presses. The call was made with a view to looking over our plant. Although it was difficult to get at the motive, and only intimations pointing that way could be learned, it was evident to me that this foreigner is here with a view to making the purchase of American-made lithographic presses and to install them in a large factory here in this country should there be a proper readjustment of the tariff giving proper protection to this industry in this country.

The increase in the lithographic business done for the United States by foreign lithographers has been so great in the last five years that there is no question of doubt but that the leading lithographic houses of Germany, England, and France will spend vast sums of money in building plants in this country to secure in this country a part of the business which should and must be done in the United States.

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The home competition we do not fear. It is the beggarly wages paid on the other side compared with the rates paid our American workmen which, considering American conditions, are not too high rates to pay our men, about which we feel concerned.

I beg that you will take into consideration the critical condition that the lithographic industry of the United States is in and will be until the tariff on lithographs has been increased as urged by the committee representing the lithographic interests, viz, Mr. Robert M. Donaldson, Mr. Horace Reed, and George R. Meyercord.

Sincerely trusting that you will give careful consideration to the importance of the tariff increase, I am,

Very truly, yours,

THE GRAY LITHOGRAPH COMPANY,
O. D. GRAY, *President.*

DECALCOMANIA TRANSFERS.

[Paragraph 400.]

THE CROXALL CHEMICAL AND SUPPLY COMPANY, EAST LIVERPOOL, OHIO, THINKS THAT THE DUTY ON MINERAL TRANSFERS IS SUFFICIENT.

EAST LIVERPOOL, OHIO, *March 1, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: We would respectfully call your attention to certain representations made to your honorable committee relative to the duty on mineral transfers as used by the pottery manufacturers. Matters have unquestionably been greatly exaggerated. Mineral transfers are nothing more or less than raw material. To deny the American pottery manufacturer of the privilege of obtaining a selection of designs from abroad would be a serious blow to an American industry which we are supposed to foster. It would be almost an utter impossibility for him to sell his wares in his own market in competition with the imported wares, as it is the decorations that sell 80 per cent at least of his product. These transfers are manufactured in a small way in this country, and for the very cheaper class they produce them as cheap or cheaper than they can abroad, which can be conclusively shown. The better class of goods which the American potter must have to bring his wares up to the standard can not be produced here as yet, and it will possibly be many years before they can, owing to the scarcity of that class of labor. In the cheaper class the American lithographer will do more than twice as much work per day as the lithographer abroad. It is true he is paid higher wages, but, however, he will do more work, which practically evens it up. We therefore claim that the schedule, paragraph 400, under which the Dingley tariff bill places these goods and under which they are always classified, is fair in every respect. We therefore trust that this magnificent great industry, such as the pottery business is, will receive your most careful consideration in affixing the duty on this raw material, such as mineral transfers,

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which is applied to their wares and that the representations made by certain parties to your honorable body will be thoroughly investigated before a decision is arrived at.

Thanking you for your kind consideration of this matter, we beg to remain,

Respectfully yours,

THE CROXALL CHEMICAL AND SUPPLY COMPANY,
J. T. CROXALL, *President.*

WALL PAPER.

[Paragraph 402.]

THE GENEVA (N. Y.) WALL PAPER COMPANY CLAIMS THAT THE WALL-PAPER INDUSTRY NEEDS MORE PROTECTION.

GENEVA, N. Y., *March 3, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: I am operating a wall-paper plant in your district, and I appeal to you for consideration on the part of the duty that is on wall paper.

The argument before your committee on the tariff of wall paper, to be raised to 45 maximum and 35 minimum, is no more than justice to our home industries, bearing in mind the fact that we are a small industry of 12,000,000 capacity and that the market is now overproduced. And when we bear in mind that our exports are only 46,921 and the imports of wall paper from other countries are 671,904, it makes a hardship on the home industries to keep pace with the foreigners.

The fact that a piece of wall paper is marked imported makes it more salable to our American people than our own domestic paper, yet we claim our domestic paper is far superior to theirs, but the word "import" is itself a selling quality.

Now, we appeal to you for your careful consideration of protection on this product of ours. The immense importation of wall paper during the past ten years has driven a great many factories out of business, because their profits have faded away when in competition with foreign papers. I believe that everyone will agree with me that the wall-paper business of to-day is not a profitable enterprise, and one of the great causes is because of the importation of cheaper goods than we can produce here.

Now, if we could bring this up to a higher tariff, it would help to equalize the cost of goods laid down in this country and give our manufacturers more of a show.

I trust this will be carefully brought before you, and that we might receive your early consideration.

Yours, very truly,

GENEVA WALL PAPER COMPANY,
Per C. W. FAIRFAX.

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WOOD PULP BOARD.

[Paragraph 402.]

THE ANDROSCOGGIN PULP COMPANY, SOUTH WINDHAM, ME., ASKS FOR HIGHER DUTY ON PULP BOARD.

WASHINGTON, D. C.,
February 20, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Wood pulp board, so called, is a manufacture of pulp, and is assessed for duty as "paper not specially provided for," under paragraph 402 of the tariff act. It is nothing but pulp in the form of thick paper or board. When two or more pieces of such paper or board are put together, by glue or otherwise, it is assessed for duty as "manufactures of paper, or of which paper is the component material or chief value, not specially provided for," under section 407 of the tariff act. It might perhaps as well be assessed as a "manufacture of wood [pulp] or other pulp, not otherwise specially provided for," under section 433; but so far as we know is is not so assessed.

The rate of duty under sections 407 and 433 is the same, namely, 35 per cent ad valorem. The rate under section 402 is 25 per cent ad valorem.

IMPORTANCE OF THE INDUSTRY.

The manufacture of this and similar pulp board or paper board is carried on extensively in the United States, as appears from the following list of mills engaged in the business:

I. *Mills manufacturing same kind of wood pulp board as Androscoggin Pulp Company.*

	Tons per day.
Androscoggin Pulp Company, South Windham, Me	80
Horace H. Childs, Childsdale, Mich	15
The J. P. Lewis Company, Beaver Falls, N. Y	30
Lewis & Slocum, Beaver Falls, N. Y	9
Brownville Board Company, Brownville, N. Y	20
Oswego Falls Pulp and Paper Company, Fulton, N. Y	50
Jefferson Board Mills Company, Herring, N. Y	20
Piermont Paper Company, Piermont, N. Y	50
Tonawanda Board and Paper Company, Tonawanda, N. Y	65
Franklin Board and Paper Company, Franklin, Ohio	35
Chattanooga Pulp Board Mills, Chattanooga, Tenn	4
Kokomo Paper Company, Kokomo, Ind	15
Marion Paper Company, Marion, Ind	40
United Box Board and Paper Company, Benton, Me	25

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II. *Mills manufacturing other kinds of pulp board.*

	Tons per day.
Mount Vernon Straw Board Company, Mount Vernon, Ind	20
Empire Paper Company, Vincennes, Ind	25
Vincennes Paper Company, Vincennes, Ind	16
National Paper Mills, Toma, Iowa	10
Haverhill Box Board Company, Haverhill, Mass	80
American Paper Company, Bogota, N. Y	25
Leo Box Board Company, Jersey City, N. J	10
McErran Brothers, Muffany, N. J	30
Albia Box and Paper Company, Troy, N. Y	15
Leversee and Snyder Manufacturing Company, Troy, N. Y	8
Frank P. Miller Paper Company, Dorrington, Pa	25
Western Straw Board Company, St. Mary, Ohio	20
Philadelphia Paper Manufacturing Company, Philadelphia, Pa	100
Eyster & Son, Hamilton, W. Va	15
Barrett Manufacturing Company, Beloit, Wis	30
Pioneer Wood Paper Company, Grand Rapids, Wis	8
California Paper and Board Mills, Anteack, Cal	16
Los Angeles Paper Manufacturing Company, Los Angeles, Cal	5
Uncos Paper Company, Norwich, Conn	85
Tait & Sons Paper Company, Bridgeport, Conn	14
Case & Marshall, Burnside, Conn	12
American Straw Board Company:	
Lockport, Ill	35
Quincy, Ill	40
Wilmington, Ill	15
Anderson, Ind	38
Kokomo, Ind	18
Noblesville, Ind	48
Chestertown, Md	18
Robertson, Ohio	30
Cincinnati, Ohio	60
Dayton, Ohio	32
Lima, Ohio	30
Piqua, Ohio	35
Tiffin, Ohio	25
Tippecanoe City, Ohio	14
Winchester, Va	12
Ham & Davidson Company, Marseilles, Ill	35
Morris Box Board Company, Morris, Ill	25
Illinois Box Board Company, Pekin, Ill	20
Rockford Paper Box Board Company, Rockford, Ill	15
Albany Paper Company, Albany, Ind	16
Lewis Knerr Paper Company, Kokomo, Ind	25
Lafayette Box Board Company, Lafayette, Ind	40
United Box Board and Paper Company:	
Davisville	10
Shelton, Cin	17½
Mount Carmel, Ill	21
Peoria, Ill	40
Waldron, Ill	11
Eaton, Ind	22
Marion, Ind	25
Muncie, Ind	30
Rockport, Ind	14
Wabash, Ind	50
West Muncie, Ind	16
Milton, N. H	20
Muffany, N. J	40
Do	45
Honeoye Falls, N. Y	7
Lockport, N. Y	50
Urbana, Ohio	30
	1,643½

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Wood pulp board is used, among other things, for bakers' and confectioners' boxes, cans, and layers; boxes for cereals; table tops; blackboards, picture mats, backings for pictures and looking-glasses, cartridge wads, inside building finish, etc.

COST TO AMERICAN MANUFACTURER.

The details of the cost of this product to the Androscoggin Pulp Company and its income therefrom in the year 1907 appear from a report furnished to the special House committee, Representative Mann, chairman, upon blanks furnished by it, a copy of which is annexed hereto and marked "A." From this detailed report the costs for 1907 were as follows:

Salaries and wages	$90,839.62
Rent, taxes, insurance, interest, repairs, advertising, and other miscellaneous expense	25,630.51
Materials, including freight	218,496.17
Manufacturing cost	334,966.30
Freight and cartage after manufacture	21,164.32
Selling expenses	12,161.55
Total cost	368,292.17
The total amount received for this product was	427,001.38
Showing a total profit of	58,709.21

The total production by this company in 1907 was 11,280 tons, showing a cost of $32.65 per ton and a selling value of $37.85 per ton, or an average profit of $5.20 per ton.

DUTY NOT SUFFICIENT TO EQUALIZE DIFFERENCE IN THE COST OF MANUFACTURE.

The foregoing article or articles are sold in the American market in competition with foreign manufactures of the same character. After payment of freight and duty the foreign article is sold at a lower price than the domestic. As appears from the figures next herein given, taken from the official statement of the Androscoggin Pulp Company, its average selling price in 1907 was $37.85 per ton; whereas, the usual selling price of the foreign article in that year was less than $35 per ton. The duty, therefore, is not prohibitory, and is in fact no more than enough, if it is enough, to equalize the cost of labor and material here and abroad. This is due to the cheapness of both the foreign wood and labor.

The importations are chiefly from Sweden and Norway. Owing to the cheapness of both labor and material in those countries, they can now undersell the domestic manufacturer in the American market, but without sufficient demand for or profit on their goods to make their competition serious. But if, together with their other advantages, they were exempted from the payment of a duty, or that duty were materially reduced, they could so decidedly undersell the American manufacturer as to drive him out of the market. With foreign pulp board selling at $35 or less per ton, the removal of the duty of practically $6 per ton would bring his selling price down to practically $29; as against a cost to our mills of nearly $33. The addition of a

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duty of $6 a ton necessitates a charge of substantially $35 by the importer, which is $2+, or 6 per cent, in excess of the cost of the domestic article.

Notwithstanding the fact that the foreign article can be sold as cheap as or cheaper than the American product in the American market, there is not much demand for it, as is shown by the fact that very little of it is imported.

The American manufacturers do not ask an increase in the duty to more nearly represent the differences in conditions here and abroad, but are willing to meet foreign competition under the existing schedule; which, however, clearly should not be reduced.

PROFITS SMALL.

The above profit of $58,709 shows 9 per cent upon this company's investment of $644,633[a] as returned to the special House committee above referred to. This investment is actual and tangible, and does not include a single ounce of water.

But 9 per cent is only realized by ignoring depreciation on the plant, which is as actual an expense as coal or labor. This should be reckoned on at least $250,000 of the company's investment, and at the very lowest calculation amounts to not less than 5 per cent per annum.

Adding to the foregoing total cash:	
Costs of manufacture and sale	$368,292.17
Depreciation of 5 per cent on $250,000	12,500.00
Gives a total cost of	380,792.17
Against total receipts of	427,001.38
Leaving a profit of	46,209.21

Or 7 per cent on the investment.

If depreciation were taken at 10 per cent on $250,000 (as it really ought to be), the profit would be reduced to $33,709, or 5 per cent on the investment.

These figures are conclusive of the proposition, that, with the present duty, the American manufacturers of wood-pulp board are realizing only a very reasonable return upon their money.

NO EXPORTATIONS.

There are, so far as we know, no exportations of real wood-pulp board. But small quantities of mixed boards, made of pulp mixed with waste material of various kinds, are exported to Canada. But the uses for this mixed board are entirely different from those for pure wood-pulp board.

Respectfully submitted.

ANDROSCOGGIN PULP COMPANY,
By EVERETT W. BURDETT, *Counsel.*

[a] This has since been increased by the addition of a new mill at a cost of $325,000, making the total present investment nearly $1,000,000.

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EXHIBIT A.

Report to congressional committee of the Androscoggin Pulp Company, 50 State street, Boston, Mass.

(1) Capital invested December 31, 1907 (include value of land, buildings, machinery, tools, and implements, bills receivable, unsettled ledger accounts, raw materials, finished products, cash and other sundries on hand, and stock in process of manufacture)	$644,633.89
(2) Timber land owned, none.	
(3) Salaried employees (total amount paid in salaries during the year):	
Salaried officers of corporations	14,500.00
Superintendents, managers, foremen, clerks, and other salaried employees	4,350.00
Total	18,850.00
(4) Average number of wage-earners employed during year (do not include salaried employees reported above), 146.	
Total amount paid in wages during the year	71,989.62
(5) Total amount paid for rent, taxes, insurance, interest, repairs, advertising, and other miscellaneous expenses	25,630.51
(6) Cost of material used during the year (include freight if paid by the establishment reporting):	
Wood for pulp, 4,175 cords	25,439.69
Wood fiber purchased—	
Ground, 6,405.7 tons (2,000 pounds)	111,520.76
Sulphite, 350.5 tons (2,000 pounds)	6,429.79
All other paper waste	28,430.23
Fuel	34,532.77
All other materials, including mill supplies	12,142.93
Total cost of all materials	218,496.17
(7) Total value of all products manufactured during the year (give value or price f. o. b. at mill):	
Wood pulp board, 11,280 tons	393,675.51
Total freight and cartage paid for delivery of above product	21,164.32
Total selling expenses on above product (including salaries, traveling expenses, and commissions paid, if any)	12,161.55
Total	427,001.38
Pulp and fiber manufactured and consumed by company reporting, tons.	3,861

(8) Total cost of manufacturing product for 1907 (including cost of materials, labor, expense of administration, and selling expenses. If company has computed cost exclusive of any or all of these items, a memorandum of explanation should be attached.)

Total cost of manufacturing product, in answer to inquiry 7	$334,966.70	
Freight and commission	33,325.87	
		$368,292.57
Per cent of total cost represented by wages		21.5
Per cent of total cost represented by materials		65.3
Per cent of total cost represented by all other expenses of production		13.2
Average labor cost per ton of paper manufactured (all kinds)		6.38

(9) Selling price of paper (give prices for a number of varieties of paper for each month during the two years. The kind of paper should be stated in the space at the top of the blank columns).

(10) Name, location, and capacity of mills covered by this report:

Name, Androscoggin Pulp Company.

Location, South Windham, Me.

Yearly capacity:	
Paper	12,000
Pulp	6,000
Number of days in operation during 1907	312
Number of days idle since April ,1907	1

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BOOKS.

[Paragraphs 403, 500–504, and 645.]

PROF. ALLAN MARQUAND, PRINCETON UNIVERSITY, THINKS THERE SHOULD BE NO DUTY ON BOOKS.

PRINCETON, N. J., *February 28, 1909.*

Hon. SAMUEL W. MCCALL, M. C.,
Washington, D. C.

MY DEAR SIR: Having heard that some American publishers are desirous not only of reestablishing the duty on books printed in foreign languages but also of levying a duty on all books, including those imported by institutions of learning, I should like, as a purchaser of books, to protest against this form of class protection in opposition to the interests of the people. I am a professor in an American college and I imagine that professors, as a large, self-sacrificing, underpaid class, require protection far more than the usually prosperous class of American publishers. An American publisher once offered me at a great reduction ($50 instead of $75), a French book he considered indispensable for my work. As I had just returned from Paris with a copy of the book at the publisher's price of $20, I could not avail myself of the kindness of the American publisher, and have ever since endeavored to purchase French books in France, German books in Germany, and so on.

Not only professors but the reading public of all classes would be greatly benefited if the present duty on English books should be removed; and I am inclined to believe that even the American publisher himself would do a more flourishing business if the reading public could secure books in all languages at the lowest practicable cost.

I am therefore strongly in favor of the removal of the duty on English books, and should consider the reestablishment of the duty on foreign books as a retrograde step of most deplorable character.

Yours, very truly,

ALLAN MARQUAND,
Professor of Art and Archæology in Princeton University.

PHOTOGRAPHS.

[Paragraph 403.]

PROF. ALLAN MARQUAND, PRINCETON UNIVERSITY, RECOMMENDS THE DUTY-FREE ADMISSION OF PHOTOGRAPHS.

PRINCETON, N. J., *February 28, 1909.*

Hon. SAMUEL MCCALL, M. C.,
Washington, D. C.

DEAR SIR: If it be practicable to put photographs upon the free list I am sure that this would be in the interest of the people at large.

When I began my career as a professor of the History of Art I had an interesting experience with the custom-house. As I was going

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abroad I wished to bring back with me a sufficient number of photographs to serve as the basis of my lectures on the History of Art. So I wrote to the collector in advance that I could not import cathedrals and ancient sculptures or pictures in great quantities, and so was dependent on photographs, casts, etc., as my implements of trade. He replied that the law concerning the free admission of implements of trade was intended to apply to those who were entering the country for the first time, and was not intended to encourage an American citizen to go abroad for the sake of purchasing dutiable articles, even though he might afterwards use them in his profession.

Now that the American publisher is obliged by the copyright law to have his book illustrations made in this country, and the American photographer does nothing toward furnishing us with photographs of foreign works of art (except the cheap reproductions of foreign photographs), is anyone protected by this duty on photographs? Is it not time that the buyer as well as the seller should have some consideration?

Photographs cost so little and do so much toward the intellectual advancement of our people that our Government might well afford to place them on the free list.

Yours, very truly,

ALLAN MARQUAND,
Professor of the History of Art and Archæology in Princeton University.

PAPER NOVELTIES.

[Paragraph 407.]

B. ILLFELDER & CO., NEW YORK CITY, THINK THAT THE PRESENT DUTY ON PAPER NOVELTIES IS AMPLY PROTECTIVE.

97 BLEECKER STREET,
New York, N. Y., January 26, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We submit that the American manufacturers have absolutely no ground for complaint regarding the competition of imported paper goods in bells, etc., and while we note the complaint of the particular party published in tariff hearings under date of November 21, we submit that our experience as regards competition of American-made goods, has been the reverse of the statements made in that communication.

We know for a fact that a manufacturer of this class of goods in Philadelphia has been able to dispose of all he could produce of his goods, and it is only on account of the American manufacturer not being in a position to produce sufficient quantities that there has been considerable shipments of these particular lines imported. In fact the representative of the manufacturer in Philadelphia referred to stated to one of our firm but a few weeks since that "this year we are going to cut you out entirely in the sale of this class of goods, for our prices are so far below the imported, and our ability to pro-

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duce has been increased to that extent, that there will be very little of the imported bells and paper goods sold by your people."

Further, we know from experience that one of the large paper manufacturing concerns in Brooklyn, N. Y., has been making this class of goods and selling them at such a low figure, compared with the cost of the imported goods, that wherever their samples were shown the imported goods were not purchased; and in fact, the salesman from that concern told one of our representatives that they had virtually stopped making their shelf paper goods to a large extent, as they found that they had such a good thing in the line of paper bells, which they were enabled to get out, that it paid them so much better than the other line referred to.

We are surprised that the paper novelty manufacturer referred to should make the statements that he does, and we believe that his experience has only been brought out by his inability to properly manufacture his goods on a basis at which his competitive American manufacturers are making them.

We submit that this class of goods is amply protected by a duty of 35 per cent ad valorem, that the sale of the imported lines has been materially decreased in the past two years by virtue of the fact that the American manufacturers have been constantly enlarging their plants, and the only direct advantage accruing to the importers is the fact that the manufacturers abroad each season get out a line of novelties (for their design ideas seem to be far better than those produced here), so that for the current season these particular novelties find a ready sale here, but it invariably happens that the following season the American manufacturers having in the meantime copied the new styles gotten out by the factories abroad, produce these then at a lower price and with the consequent result that their sales are materially increased, and the respective article, as regards importation, is materially decreased in consequence.

Respectfully submitted.

B. ILLFELDER & Co.

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SCHEDULE N—SUNDRIES.

BUTTONS.

[Paragraph 414.]

BRIEF SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE, OF NEW YORK CITY, ON BEHALF OF THE IMPORTERS OF FRENCH MADE BUTTONS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The importers of French agate buttons ask for a reduction of duties, as the present ones amount to the enormous rate of 157 per cent of the net value of certain articles. For instance, on the annexed samples, which are of common use, there is, first, 15 per cent ad valorem; second, one-twelfth cent per line per gross.

The price of the common staple shirt button, known as "blanc lentille D. C. N°. 8," which we will take as an example, and the diameter of which is 17 lines, is 0.90 franc a great gross, with 30 per cent and 2 per cent off, so that the net price is, as per price list:

	0.90
60 per cent.....	0.27
	0.63
2 per cent.....	0.0126
	0.6174

The total amount of the duty is accordingly:

	Franc.
First, 15 per cent ad valorem, viz, 0.15×0.617.....	0.09
Second (taking the dollar to be worth 5.18), 170×.0518.....	.88
	.97

which, as stated above, amounts to the enormous rate of 157 per cent of the net value.

The importers of mother-of-pearl buttons ask also for a reduction of the present duties and for a return to the old ones, which do not include any additional duty per line, as the actual duties on said article are absolutely prohibitive.

The importers of agate buttons also request from your honorable body the suppression of the duty per line.

Believing that it is not the intention of your committee to impose prohibitive duties on any article which would deprive the Government of a much-needed revenue, we trust that you will take this matter into consideration and give proper satisfaction to the importers.

We remain, gentlemen, very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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BITUMINOUS COAL.

[Paragraph 415.]

THE WEST VIRGINIA MINING ASSOCIATION PROTESTS AGAINST ANY REDUCTION IN THE DUTY ON COAL.

WASHINGTON, D. C., *February 16, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, a committee appointed by and representing the West Virginia Mining Association, an organization embracing practically all the coal producers of West Virginia and all the coal fields of said State, respectfully shows that said association (1) respectfully protests against any decrease in the present duty upon bituminous coal imported into this country; (2) respectfully asks that the duty on culm or slack be increased from the present rate of 15 cents per ton to the same rate as upon other forms of coal; (3) suggests that if Congress shall see fit to make any reduction of the duty on coal it should only be made upon condition that Canada will similarly reduce its duty on coal.

STATEMENT.

This question is of the most vital importance not only to the coal producers of the State of West Virginia, but to the whole State.

Coal is by far the most important industry of West Virginia. It employs in normal times at least 60,000 men, and its output of coal for the calendar year 1907 was in round numbers 48,000,000 tons of 2,000 pounds. In addition to the men actually employed in producing coal, coal is the principal freight of the railroads of the State, its wholesale mercantile houses have built up their business upon the trade of the coal companies, a large part of such manufactures as the State has are devoted to supplying the coal trade, the farmers of the State find at the coal mines a market for their crops and farm products of all kinds, and it is not too much to say that not alone the 60,000 workers and the quarter of a million women and children dependent on them, but also practically every man, woman, and child in the State is directly or indirectly interested in the prosperity of the coal industry, and derives some part of his or her sustenance therefrom.

The situation of West Virginia in the coal trade is peculiar. The other principal coal-producing States, Pennsylvania, Ohio, Indiana, and Illinois are older States, much more populous, thickly settled, and highly developed, with large cities and great manufacturing interests, so that the mines of each have within its own borders a large and in many cases an ample market which they can protect and hold under all circumstances. And each of these States consumes within its own borders, treating as consumed coal which is shipped by water from tidewater or lake ports in any such State, 90 per cent or thereabouts of the coal produced therein.

West Virginia, on the other hand, has comparatively few manufactures as compared with the other States named, or as compared with its output of coal, and actually consumes within its own borders not exceeding 10 or 12 per cent of the coal which it produces. The rest goes to market in the Middle States, the nearer Northwest, Virginia, the Carolinas, and New England. It has, of course, no trade in Pennsylvania, New York, or the farther South, practically none

in Kentucky, and comparatively little in New Jersey and Delaware. The market in the West, Northwest, and Carolinas is limited by the length of haul and competition with coals more favorably situated, and all its markets have been gained and must be held in the face of the severest competition. All of West Virginia's coal going to market passes through or by directly competitive coal fields having a shorter haul to reach the common markets, except the New River and Pocahontas coal sent east to tide water. The coal is sold under competition in the West with the coals of Pennsylvania, Ohio, Indiana, Illinois, and Kentucky; in the east inland with the coals of Pennsylvania, Maryland, Virginia, Kentucky, and Alabama; and in New England with the Maryland, Pennsylvania, and Cape Breton (Canada) coals. The New England competition deserves to be called fierce, West Virginia, Maryland, and Nova Scotia coals entering by water, and Pennsylvania coals entering both by water and by all-rail routes. Bear in mind, too, there is in the New England and all other markets the keenest competition, not only among the shippers of the different railroads and States, but between the different shippers and sales companies, representing shippers, on the same road and in the same State. The result of this competition in all markets mentioned has been that the price of coal has been driven to a point where at the present time profit is in all cases practically, and in some absolutely, a negligible quantity. As will be seen by the report of Mr. E. W. Parker, statistician of the United States Geological Survey, for the year 1907, the average returns to the mine for West Virginia coal were 99.27 cents per ton of 2,000 pounds; and the returns to the mines for the calendar year 1908 will be still less per ton. The New England trade is a most important one to West Virginia, and its importance will be better perceived when we call attention later to what we believe would be the consequences of the removal of the tariff on coal.

The coal trade of West Virginia has been built up against great difficulties in the way of transportation facilities and competition in the markets, and while the operators have of course taken their chances on a revision of the tariff injuriously affecting, perhaps destroying, their investments, the fact remains that the business has been created and grown under substantially the present conditions as to tariff and on the faith that things would continue substantially as they are.

The business has virtually made the State of West Virginia what it is to-day. It has directly and indirectly placed on the tax books of the State three-fourths at least of the values which appear there to-day. To it West Virginia owes three-fourths of her railway mileage and upon it these railways largely depend.

The West Virginia miners receive excellent wages, and under normal conditions the annual income of an industrious miner probably exceeds the average annual income of any other skilled manual laborer. Schedule A, appended to this brief, shows the rate of wages in several districts, and some examples taken at random of miners earnings, and it is fairly representative of the State as a whole.

The West Virginia railroads have been compelled, by reason of the distance of the West Virginia coals from their markets and the keen competition, to haul coal very cheaply. Schedule B, hereto appended, shows the railway freight rates to some of the principal shipping points of the various roads and the rates per ton per mile.

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The profits of the operator in West Virginia have been on the whole very much less than those of operators mining coals more favorably situated, even though inferior in quality. We agree with other witnesses who have been before the committee, that from 15 to 25 cents per ton is only a reasonable profit for the coal operator to compensate for his investment and risk. But we do not believe that a single mine in West Virginia has averaged as much as 20 cents per ton profit for any ten-year period, and we are sure that the average profit of all the mines of the State for the past ten years has not been as much as 10 cents per ton.

ARGUMENT.

We assume that no change will be made in coal duty except under reciprocal agreements and do not propose to take any time for such discussion.

We have been unable to get exact information as to the rates of wages and total cost of production of Canadian coals, but from the best information obtainable we believe that the wages paid in the mines of Cape Breton, with the competition from which West Virginia is principally concerned, are substantially less than the wages in West Virginia, and that the cost of production of coal is less. Nevertheless, in frankness, we must say that we believe that the present duty on coal (other than culm) considerably exceeds the difference in wages plus a reasonable profit per ton to the operator; still we believe for the reasons hereinafter assigned that the tariff should be retained on coal other than slack or culm and the tariff on slack or culm increased to the same amount, viz, 67 cents per ton of 2,240 pounds.

CULM.

It is believed that when the discrimination in favor of slack or culm was inserted in the existing tariff law and previous laws, it was on the theory in the legislative mind (though not in the mind of the interests urging the action) that the article referred to was an inferior product. As a matter of fact "culm" is a misnomer as applied to bituminous coal, the word being properly used for the waste of anthracite mining composed of fine coal, slate, and other dirt, useless as culm, but from which, when it pays to do it, the coal can be partially recovered by washing.

Bituminous "slack," on the other hand, is, when the seam of coal from which it is produced is clean, pure coal, but finely divided. For coke and gas making, furnaces using mechanical stokers, smithing, etc., it is more desirable than run-of-mine coal, which for these purposes would in many instances have to be crushed.

Most of the Cape Breton coal, if not all, which now comes into this country, comes as "culm," and is used in by-product ovens making coke and gas, or in furnaces where finely divided coal is required, and it is asserted that the mining companies intentionally produce this "culm" either by unnecessary rough handling or by mechanical crushing.

At any rate the spirit of the law is evaded, and there is no reason or justice in a tariff difference between bituminous run of mine and slack coal.

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As we understand it, the arguments presented in favor of reciprocal free coal with Canada by the operators of western Pennsylvania, who have petitioned the committee, are:

(1) That if Canada removes her tariff on coal, the coal trade in the region extending from central Ontario to the Rocky Mountains, which is now held by American coal, will be stimulated and the country developed, and industries created which will consume more coal.

(2) That the market for American coal may be extended to the eastward, perhaps to include Montreal. Western extension can hardly be hoped for owing to the high quality and the energetic and increasing development of the Canadian Rocky Mountain coals at Crow's Nest Pass and elsewhere.

To these reasons may be added:

(3) The demand of certain New England industries for free coal in order to give New England consumers cheaper fuel.

CANADIAN COALS.

The committee is undoubtedly informed that the Canadian coals are found in New Brunswick, Nova Scotia, and Cape Breton, in the eastern part of the country, and in the Rocky Mountains and on the Pacific slope and Pacific coast in the West. That these coals supply almost exclusively and control, respectively, the eastern and western parts of Canada. That Central Canada, say from Central Ontario west to the Rocky Mountains, has always been a market for American coal owing to the transportation advantages which the American coals have, going in by comparatively short railroad hauls and with water transportation to a large extent over the Great Lakes. The American coals which supply this market are principally coals of western Pennsylvania and northern Ohio. Some coal from northern West Virginia also goes into these markets and would share the benefits which the western Pennsylvania operators expect to realize from reciprocal free coal. These West Virginia operators, however, would be injured, as we believe the operators of western Pennsylvania would almost equally be by the disturbance of their trade on this side of the line, and desire to have the tariff left as it is, believing that any advantages gained in Canada would be offset or more than offset by losses in home markets.

ANSWER TO FREE COAL ARGUMENTS.

It seems to us that the arguments for free coal above mentioned are sufficiently answered as follows:

(1) It is not pretended that reciprocal free coal with Canada is needed in order to enable the American operators to hold any trade already gained or to hold the natural increase of business in the territory which they have always controlled. This Canadian market is one which American coals have always had, and will always have, provided the Canadian tariff on coal is not increased. Nor is it pretended that the operators enjoying this market are entitled to or would receive any greater profits than they are now receiving on their coal, or that any part of the duty if removed by Canada will be kept by them as an increase in the price of their coal. On the contrary, it is

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frankly avowed that it will go to the consumer to stimulate trade and the development of competing industries on the Canadian side of the line; to give the Canadian railroads, which are the principal consumers of the coal shipped into Central Canada, the advantage in competition with our American railways of a reduction of 60 cents per ton in their fuel bills.

(2) It would be highly desirable if it could be done without radical disturbance and great loss of trade in this country to extend the limit of the Canadian territory controlled by American coal, but for reasons which we will point out we believe that any dollar gained by American interests in this method will be offset by several dollars loss elsewhere.

(3) To the plea that New England consumers demand cheaper bituminous coal, we think it a sufficient reply to say that, as hereinafter pointed out, the saving in cost to them would be very slight, and that those who would profit by the slightly cheaper fuel would be not the small consumers—the citizens in general—but sundry cotton mills, paper mills, shoe manufacturers, and others whose products are protected by a tariff, which we believe almost without exception they are unwilling to have reduced, and a few railroads, among the oldest and most prosperous in this country, and which do not, apparently, judging from their present prosperity, need the saving that would be thus effected in their operating expense.

And we call attention to the fact that these New England mills, manufacturers, and railroads started and have built up and grown, as has the coal industry of West Virginia, under present circumstances and doubtless in the faith that the existing order of things would continue. While cheaper fuel would be doubtless a desired means to a slight increase in their dividends, it is something on which they have not counted in embarking in business and is not the serious matter the reduction of the tariff is to West Virginia.

Turn now from the alleged benefits to the coal industry of western Pennsylvania and northern Ohio from the removal of the Canadian tariff on coals in exchange for the removal of the American tariff to the consequences to the coal trade in New England and elsewhere. The abolition of the tariff would throw open the markets of New England and of that part of the northern United States lying in the Rocky Mountains and west thereof and the Pacific coast to the Canadian coals.

The committee has had clearly presented to it the case of the American coal operators in the northwestern part of the country, and we have nothing to add to what has been said as to the effect of the removal of the tariff on the coal industries of North Dakota, Montana, Washington, and Wyoming. It is to the consequences in the Northeast—in New England—that we wish to call the committee's attention.

The Dominion Coal Company, shipping Cape Breton coal, controlling two-thirds or more of the coal produced in Nova Scotia, and the company shipping all or nearly all the coal which now comes into the eastern part of the United States from Canada, without a tariff can land its coals in Boston and other New England ports at prices such as to render competition by American coals at those ports and for varying distances inland an absolute impossibility.

The Dominion Coal Company has in some of its financing literature stated that its coal could be put on board vessels at Louisburg or

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Sydney for $1 per ton; and the company has claimed that it was producing its coal at 70 cents per ton at the pit mouth, and expected by improvements to reduce the cost by 15 or 20 cents a ton. All its mines are situated at or in close proximity to water terminals and have no railway haul exceeding 20 miles, and the railway is owned by the coal company. Twenty-five cents will amply cover the average cost of getting the coal from the pit mouth to the vessel. Calling the cost on board vessel $1 per ton and adding to that sum 50 cents per ton to cover any inaccuracies in the estimation of costs, selling commission, or expense, and a generous profit, the coal on board vessel at loading ports stands at $1.50. The distance to Boston is about the same as from the terminals of the Chesapeake and Ohio, Norfolk and Western, and Virginian railways on Hampton Roads, and less than the distance from the Baltimore and Ohio and Western Maryland terminals on the upper Chesapeake Bay. To Maine ports the distance from Cape Breton is less and to Sound ports substantially the same as the distance from the Hampton Roads terminals. But while some of the Cape Breton coal comes in in American-owned vessels, much of it comes in foreign-owned vessels paying cheaper wages to their officers and seamen and able to carry coal at a less freight rate. Assume a vessel freight rate from Cape Breton the same as from Hampton Roads ports—it will certainly not be greater—say 75 cents. On this basis the Cape Breton coal alongside the dock in Boston costs $2.25. This is a maximum figure. The actual cost per ton, including all items mentioned, "alongside" in Boston is probably between $2 and $2.25 on a vessel rate of 75 cents. The ton referred to is a gross ton of 2,240 pounds, which is the unit in all tide-water shipments.

The West Virginia coals going to New England include the highest grade and most expensively mined coals in the State. These will cost on the average at the pit mouth about $1 per ton of 2,240 pounds. Add to this 25 cents per ton to cover sales cost or commission (the New England sales commission is ordinarily 11 cents) and a reasonable profit and the coal at the pit mouth stands at $1.25 per ton. The railroad freight on tide-water shipments from the Pocahontas and New River fields to the Hampton Roads terminals is $1.40 per ton, making the coal stand on board vessel at loading port $2.65. Adding the same vessel freight assumed in the case of Nova Scotia coal—75 cents—and we have the cost of a ton of coal alongside in Boston from the New River or Pocahontas fields, $3.40, a difference in favor of the Cape Breton coal of $1.15. The northern West Virginia coals from the Baltimore and Ohio and Western Maryland roads represent, practically, the same cost "alongside" in Boston, slight differences in mining cost, railroad freights, and vessel rates substantially balancing each other. The West Virginia coals are of superior quality to the Cape Breton coals and worth more, but not enough to permit them to hold the market with anything like this difference in cost. The Pennsylvania coals going to New England by water can perhaps be landed there a little more cheaply than the West Virginia coals, but not at a figure to enable them to hold any part of the market against the Cape Breton coal.

The result would be that the water shipments of American coals into New England would cease, and, as West Virginia can reach New England only by water, the whole New England trade would be lost to it. The coals from Pennsylvania going into New England by the all-

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rail route would have their market somewhat lessened by the Cape Breton coals, which, with a total transportation charge of at most $1 per ton to New England ports, could go farther inland by rail than can the West Virginia and other coals now reaching these ports by water.

The western Pennsylvania coal producers, in their argument of January 1, 1909, call attention to the fact when the duty on coal was remitted for the year 1903, the total imports of Nova Scotian (Cape Breton) coal were only 968,832 tons for the year as against 751,382 tons for 1902 and 590,086 tons for the year 1901. This argument is fallacious. The committee, of course, know that the production of a mine or group of mines can not be immediately increased. To increase the production of a given coal district, either new mines must be developed or old mines must be extended and their capacity increased. Either process means the driving of "entries" and turning new "rooms," the employment of additional workmen, the building of and installation of additional machinery, improvements, and dwelling houses, all of which takes time. It is worthy of note that although the years 1902 and 1903 were characterized in Canada, as in this country, by a shortage of coal and a keen demand and high prices therefor, the Nova Scotian coals increased their importations in 1902 over 160,000 tons—over 25 per cent—over that for 1901 and in 1903 over 378,000 tons—nearly 65 per cent—over that for 1901, and this when they knew that the increased market on this side of the line was but a temporary matter. It is not pretended that the destruction of the New England market for West Virginia coal and other American coals shipped there by water would be a matter of immediate occurrence, but the supply of Cape Breton coal is practically inexhaustible, and with the increased market lying open to them with an advantage of at least $1.15 in cost alongside in New England ports, the development of the Cape Breton coal would be increased as rapidly as possible, and it would only be a matter of a very few years at most until the New England markets were taken from our coals, except the all-rail coals, and their market substantially decreased. It must be remembered also that if the operators demanding the reciprocal abolition of the tariff on coal should succeed in extending their markets eastward, the coal thus displaced would be Nova Scotian or Cape Breton coal and would immediately seek the new market in New England.

The West Virginia coals thus displaced would be thrown back to the only market, if any, left open for them, viz: Into the Central West, where they would meet not only the competition of the quantity of coal which that market has been accustomed to take, but also the competition of the other tide-water coals displaced in the New England market and the competition produced by the coals from the northwestern part of the United States displaced by the coals from northwest Canada. Only a very small amount of a product necessary to supply a market suffices to break prices and a break in prices means inevitably among other things the lowering of wages, so that the probable result of the displacement of the West Virginia and other coals entering New England by water by the Cape Breton coal would be the lowering of wages not only in West Virginia, but throughout the mining regions of the United States.

It may be argued that the West Virginia and other American coals entering New England by water could be put alongside cheaper than

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they are and that the market might be held. But it is estimated that to permit competition with the Nova Scotian coals the West Virginia coals would have to go in at a price of $2.50 to $2.75—say $1 for the coal, including selling commission or sales expense, $1 to $1.25 for railroad freight, and 50 cents for water freight. These are impracticable and impossible figures. Coal can not be produced on the average in the West Virginia mines now enjoying the New England market at the price of $1, including selling cost or commission, without a very considerable reduction in wages and other mining expense. Nor do we believe that the vessels could be induced to accept as low a rate as 50 cents. It would pay them better to turn to the transportation of the Cape Breton coals. And an inspection of Schedule B showing the rates per ton per mile earned by the railroads hauling the coal will show that they can not be justly asked to reduce their rates to the point which would be necessary.

The foreign coal is not needed to give additional competition in New England. The competition there between the various American coals is as keen as possible already. And its introduction free of duty while meaning slightly cheaper coal to a part of New England would decrease competition by substituting in the market for water coal a few Canadian companies—perhaps only one—in place of the many American ones now supplying it. The prices of the American coals now supplying the New England market can not be materially reduced. The Dominion Coal Company with its practical monopoly could fix the price of the Cape Breton coal at a figure just low enough to gain and hold the market for it. That would be a price which compared with the American coal prices would represent the difference, or a little more than the difference, in heat production. That is, the New England consumer while paying less per ton for his coal would get only a very slight reduction in his operating expense, if any. The net result would be that the Canadian monopoly would enormously increase its output and its profit, getting probably from 5 to 10 times the profit per ton that the American producers now realize.

Among the other industries, in addition to the coal business, which would be most injuriously affected by such radical changes in trade conditions as the removal of the tariff would create, would be the railroads. The Baltimore and Ohio, Western Maryland, Chesapeake and Ohio, and Norfolk and Western railroads have prepared themselves for handling large quantities of tide-water coal with expensive terminals, yards, and other facilities along the line, designed to handle the heavy eastbound traffic, and cars suited for tide-water business and unsuited for inland business. And the Virginian Railway is just completing a railroad of 450 miles, probably the most expensively constructed new railroad in the country, with new terminals and equipment especially designed for handling large quantities of tide-water coal. This radical change in trade conditions would make useless or comparatively useless the costly tide-water terminals, the large expenditures for handling eastbound business, the cars suited for the tide-water business and unsuited for the inland business; and each of the railroads mentioned, except the Virginian and Western Maryland, in hauling its coal westward instead of eastward would substitute for all or the greater part of the traffic a short haul for a long haul, having to give its coal to connecting lines at much closer

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distances to the mine than the tide-water terminals, thus greatly decreasing revenue therefrom. As to the Virginian and Western Maryland roads, they are at present one-ended roads, able to handle effectively only eastern business, and having no connection with the western markets except over the other lines mentioned, with which they are competitors.

We respectfully submit that in justice to the interests affected, operators and miners, railway companies and employees, no change should be made in the present tariff on coal except to place so-called "culm" or slack on an equality with the other sizes.

HENRY G. DAVIS,
A. B. FLEMING,
W. N. PAGE,
SAML. DIXON,
G. H. CAPERTON,
W. D. ORD,
E. KELLY ROTHSTEIN,
E. W. KNIGHT, *Chairman*,
NEIL ROBINSON, *Secretary*,
Committee representing the West Virginia Mining Association, composed of the following companies.

EXHIBIT A.

MEMBERS OF WEST VIRGINIA MINING ASSOCIATION.

American Coal Company, McComas, W. Va.
Ashland Coal and Coke Company, Ashland, W. Va.
Algoma Coal and Coke Company, Algoma, W. Va.
Abrams Creek Coal and Coke Company, Oakmount, W. Va.
Atlas-Pocahontas Coal Company, Antler, W. Va.
Arlington Coal and Coke Company, McDowell, W. Va.
Alaska Coal and Coke Company, Claremont, W. Va.
Ballinger Coal Company, Nuttallburg, W. Va.
Big Sandy Coal and Coke Company, Marytown, W. Va.
Bottom Creek Coal and Coke Company, Vivian, W. Va.
Buffalo Creek Cumberland Coal Company, Bayard, W. Va.
Boomer Coal and Coke Company, Boomer, W. Va.
Booth-Bowen Coal and Coke Company, Freeman, W. Va.
Buffalo Collieries Company, Chattaroy, W. Va.
Buckeye Coal and Coke Company, Freeman, W. Va.
Beechwood Coal and Coke Company, Claremont, W. Va.
Beury Brothers Coal and Coke Company, Beury, W. Va.
Blue Creek Coal and Lumber Company, Charleston, W. Va.
Big Bend Coal Company, Charleston, W. Va.
Branchland Coal and Coke Company, Branchland, W. Va.
Blue Jay Lumber Company, Blue Jay, W. Va.
Buchannon, R. W., Coal Company, Uniontown, Pa.
Cabin Creek Consolidated Coal and Coke Company, Charleston, W. Va.
Campbells Creek Coal Company, Dana, W. Va.
Carbon Coal Company, Charleston, W. Va.
Columbus Iron and Steel Company, Columbus, Ohio.
Century Coal Company, Century, W. Va.
Crozer Coal and Coke Company, Elkhorn, W. Va.
Croft & Evans, Ansted, W. Va.
Crystal Coal and Coke Company, Godfrey, W. Va.
Cirrus Coal and Coke Company, Cirrus, W. Va.
Cora Coal and Coke Company, Logan, W. Va.
Coalburg-Kanawha Coal Company, Coalburg, W. Va.
Coalburg Colliery Company, Ronda, W. Va.
Corona Coal and Coke Company, Clarksburg, W. Va.
Davis Colliery Company, Elkins, W. Va.
Davis Coal and Coke Company, Thomas, W. Va.

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Dorfee Coal Mining Company, Dorfee, W. Va.
Dietz Colliery Company, Wyndal, W. Va.
Dry Branch Coal and Coke Company, Dry Branch, W. Va.
Draper Coal and Coke Company, Logan, W. Va.
Elkins Coal and Coke Company, Morgantown, W. Va.
Ephraim Creek Coal and Coke Company, Thayer, W. Va.
Empire Coal and Coke Company, Landgraff, W. Va.
Elkhorn Coal and Coke Company, Maybeury, W. Va.
Elk Ridge Coal and Coke Company, Kyle, W. Va.
Eureka Coal and Coke Company, Eckman, W. Va.
Ethel Coal and Coke Company, Logan, W. Va.
Elk River Coal and Lumber Company, Clay Court House, W. Va.
Elk Lick Coal Company, Richwood, W. Va.
Fairmont Coal and Coke Company, Fairmont, W. Va.
Falling Rock Cannel Coal Company, Charleston, W. Va.
Federal Coal and Coke Company, Fairmont, W. Va.
Fairmont and Baltimore Coal and Coke Company, Adamston, W. Va.
Fort Defiance Coal Company, Gauley Bridge, W. Va.
Gauley Mountain Coal Company, Ansted, W. Va.
Gilliam Coal and Coke Company, Gilliam, W. Va.
Greenbrier Coal and Coke Company, McDowell, W. Va.
Greenwood Coal Company, Lawton, W. Va.
Gay Coal and Coke Company, Logan, W. Va.
Glendale Colliery Company, Lawton, W. Va.
Hutchison Fuel and Supply Company, Fairmont, W. Va.
Hemlock Hollow Coal and Coke Company, Lawton, W. Va.
Houston Coal and Coke Company, Elkhorn, W. Va.
Hiawatha Coal and Coke Company, Hiawatha, W. Va.
Howard Colliery Company, Chattaroy, W. Va.
Imperial Colliery Company, Burnwell, W. Va.
Indian Ridge Coal and Coke Company, Worth, W. Va.
Johnson, W. R., & Co., Crescent, W. Va.
Johnson, W. R., Crescent, W. Va.
J. B. B. Colliery Company, Twin Branch, W. Va.
Jed Coal and Coke Company, Jed, W. Va.
Kanawha Gas Coal Company, Smithers, W. Va.
King Coal Company, Vivian, W. Va.
Keystone Coal and Coke Company, Keystone, W. Va.
Loup Creek Colliery Company, Page, W. Va.
Louisville Coal and Coke Company, Goodwill, W. Va.
LaBelle Iron Works, Steubenville, Ohio.
Low Moor Iron Company, Kaymoor, W. Va.
Lynchburg Colliery Company, Vanetta, W. Va.
Lynchburg Coal and Coke Company, Kyle, W. Va.
Laura Mining Company, Glen Jean, W. Va.
Laurel Creek Coal Company, Quinnimont, W. Va.
Meadow Creek Coal and Coke Company, Fairmont, W. Va.
Marmet Coal Company, Cincinnati, Ohio.
Mill Creek Coal and Coke Company, Coopers, W. Va.
McDowell Coal and Coke Company, McDowell, W. Va.
Monitor Coal and Coke Company, Logan, W. Va.
Mount Carbon Company (Limited), Powelton, W. Va.
McKell Coal and Coke Company, Glen Jean, W. Va.
Middle States Coal and Coke Company, Olmsted, W. Va.
Maher Coal and Coke Company, Twin Branch, W. Va.
Mason City Coal Mining Company, Mason City, W. Va.
Moseley & Walker, Cliff Top, W. Va.
Manufacturers and Consumers Coal Company, Fayette, W. Va.
Marmet Coal Mining Company, Raymond City, W. Va.
New River Consolidated Coal and Coke Company.
New Central Coal Company, Fairmont, W. Va.
New River Company, Macdonald, W. Va.
New River Collieries Company, Prince, W. Va.
Nuttalburg Coal and Coke Company, Nuttalburg, W. Va.
New River and Pocahontas Consolidated Coal Company, Kenova, W. Va.
Nichol Colliery Company, Glen Jean, W. Va.
Olcott Coal and Iron Company, Olcott, W. Va.

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Peerless Coal and Coke Company, Vivian, W. Va.
Powhatan Coal and Coke Company, Powhatan, W. Va.
Plymouth Coal and Mining Company, Plymouth, W. Va.
Pocahontas Consolidated Collieries Company, Switchback, W. Va.
Pulaski Iron Company, Eckman, W. Va.
Pearl Coal Mining Company, Dingus, W. Va.
Parker Run Coal Company, Fairmont, W. Va.
Pennsylvania Consolidated Coal Company, Lorentz, W. Va.
Piedmont Colliery Company, Widemouth, W. Va.
Pawama Coal and Coke Company, Matoaka, Va.
Quincy Coal Company, Quincy, W. Va.
Quinnimont Coal Company, Quinnimont, W. Va.
Roanoke Coal and Coke Company, Worth, W. Va.
Red Jacket Consolidated Coal and Coke Company, Roanoke, Va.
Reymon Brewing Company, Wheeling, W. Va.
Rothwell Coal Company, Durbee, W. Va.
Shawnee Coal and Coke Company, Eckman, W. Va.
Smokeless Coal and Coke Company, Hiawatha, W. Va.
Star Coal and Coke Company, Red Star, W. Va.
Standard Spl. and Gas Coal Company, Standard, W. Va.
Spring Coal Mining Company, Tigertown, W. Va.
Southside Company, Caperton, W. Va.
Tidewater Coal and Coke Company, Vivian, W. Va.
Thomas Coal Company, McComas, W. Va.
Twin Branch Mining Company, Twin Branch, W. Va.
Thurmond Coal Company, Concho, W. Va.
Turkey Knob Coal Company, Macdonald, W. Va.
Turkey Gap Coal Company, Ennis, W. Va.
Thacker Coal and Coke Company, Thacker, W. Va.
Upland Coal and Coke Company, Elkhorn, W. Va.
Virginia and Pittsburg Coal and Coke Company, Fairmont, W. Va.
War Eagle Coal Company, War Eagle, W. Va.
Weyanoke Coal and Coke Company, Giatto, W. Va.
Wenonah Coal and Coke Company, Dott, W. Va.
Winifrede Coal Company, Winifrede, W. Va.
Wyatt Coal Company, Charleston, W. Va.
Wright Coal and Coke Company, Wright, W. Va.
Warfield Coal Company, Kermit, W. Va.
Wilson, H. T., Coal Company, Logan, W. Va.
Whittaker-Glessner Company, Wheeling, W. Va.

Exhibit B.

Freight rates.

[Tons, 2,240 pounds.]

From—	To—	Miles.	Freight.	Mills per mile.
Thurmond	Newport News	425	1.40	3.30
Bluefield	Norfolk	363	1.40	3.85
Princeton	do	330	1.40	4.24
[Tons, 2,000 pounds.]				
Dickinson	Toledo	336	0.97	2.88
Handley	Toledo (via Ironton)	400	.97	2.42
Do	Toledo (via Cincinnati)	447	.97	2.17
Thurmond	Toledo (via K. & M.)	387	1.12	2.90
Do	Toledo (via Cincinnati)	485	1.12	2.31
Handley	Cincinnati	236	1.00	4.23
Thurmond	do	274	1.10	4.01
Handley	Chicago	520	1.90	3.65
Thurmond	do	558	2.00	3.58

Thurmond is the billing point for New River, Chesapeake and Ohio.
Handley is the billing point for Kanawha, Chesapeake and Ohio.
Princeton is the billing point for Virginian Railway.
Bluefield is the billing point for Pocahontas, Norfolk and Western.

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EXHIBIT C.

[Mines run during the year February, 1908, to February, 1909.]

R. D. PRINGLE, motor man, received in wages, at $2.35 per day.

1908.		1908.	
February	$52.87	October	$56.98
March	50.52	November	54.63
April	49.35	December	47.00
May	59.32		
June	54.05	1909.	
July	54.05	January	58.75
August	24.08		
September	56.40		618.00

THE OTTO MARMET COAL & MINING CO.,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above motor man's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay-roll Clerk.*

EXHIBIT D.

[Mines run during the year February, 1908, to February, 1909, 271¼ days.]

GILES DICKINSON, motor man, received in wages, at $2.35 per day.

1908.		1908.	
February	$51.70	October	$56.98
March	55.22	November	54.05
April	48.17	December	47.00
May	59.92		
June	56.98	1909.	
July	54.05	January	58.75
August	59.33		
September	54.05		656.20

THE OTTO MARMET COAL & MINING CO.,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above motor man's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay-roll Clerk.*

EXHIBIT E.

[Mines run during the year February, 1908, to February, 1909. 271¼ days.]

WADE WORMACK, driver, received in wages, at $1.90 per day.

1908.		1908.	
February	$38.00	October	$42.75
March	44.65	November	41.80
April	37.04	December	30.40
May	40.85		
June	40.85	1909.	
July	40.37	January	43.70
August	44.65		
September	28.50		474.56

THE OTTO MARMET COAL & MINING CO.,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above driver's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay-roll Clerk.*

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EXHIBIT F.

[Mines run during the year, February, 1908 to February, 1909, 271½ days.]

JOHN DEAL, driver, received in wages at $1.90 per day:

1908.		1908.	
February	$45.12	October	$49.40
March	43.22	November	47.97
April	49.87	December	39.90
May	48.45		
June	57.00	1909.	
July	47.50	January	47.50
August	60.80		
September	44.17		580.90

THE OTTO MARMET COAL & MINING CO.,
EDW. SCHONEBAUM, *General Manager*.

I hereby certify this is a true abstract of the above driver's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay-Roll Clerk*.

EXHIBIT G.

[Mines run during the year, February, 1908, to February, 1909, 271½ days.]

L. W. MELTON, driver, received in wages, at $1.90 per day:

1908.		1908.	
February	$51.30	October	$42.75
March	61.75	November	41.80
April	51.30	December	41.80
May	34.30		
June	53.20	1909.	
July	44.17	January	50.35
August	53.20		
September	41.80		567.72

THE OTTO MARMET COAL & MINING CO.,
EDW. SCHONEBAUM, *General Manager*.

I hereby certify this is a true abstract of the above driver's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk*.

EXHIBIT H.

[Mines run during the year, February, 1908, to February, 1909, 271½ days.]

HARVEY COLES, miner, received in wages at $2.62½ per 100 bushels, or 65½ cents per ton.

	Mining.	Entry work.	Clay veins.
1908.			
February	$26.82	$12.50	$3.12
March	62.07	25.83	9.50
April	32.65	18.12	14.10
May	42.20	25.63	6.24
June	61.94	25.00	17.52
July	25.14	29.10	47.72
August	14.54	13.12	47.28
September	34.14	20.41	23.25
October	69.72	30.83	14.44
November	60.69	21.67	7.00
December	54.15	22.71	7.74
1909.			
January	63.76	30.41	8.94
Total	547.82	275.33	206.85
Grand total			1,030.00

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager*.

I hereby certify this is a true abstract of the above miner's wages during the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk*.

EXHIBIT I.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

G. W. SPRADLING, miner, received in wages at $2.62½ per 100 bushels, or 65½ cents per ton.

1908.		1908.	
February	$105.56	October	$46.68
March	121.77	November	36.93
April	83.38	December	84.64
May	77.22	1909.	
June	109.31	January	121.50
July	90.78		
August	79.87		
September	103.69	Total	1,061.33

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager*.

I hereby certify this is a true abstract of the above miner's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk*.

EXHIBIT J.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

O. L. AGEE, miner, received in wages at $2.62½ per 100 bushels, or 65½ cents per ton.

	Mining.	Entry work.	Clay veins.
1908.			
February	$56.85	$1.38	$12.90
March	75.40	.....	2.70
April	54.88	.....	3.15
May	87.48	.....	5.05
June	75.10	.....	4.20
July	52.31	1.50	2.25
August	53.52	.....	3.82
September	59.58	.....	1.65
October	45.88	1.95	6.25
November	44.88	.....	.....
December	43.64	.....	.....
1909.			
January	81.13	10.20	1.25
Total	730.65	15.03	42.22
Grand total	.....	.....	787.90

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUN, *General Manager*.

I hereby certify this is a true abstract of the above miner's wages during the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk*.

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EXHIBIT K.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

J. W. SMITH, miner, received in wages at $2.62½ per 100 bushels, or 65½ cents per ton.

1908.		1908.	
February	$56.84	October	$68.45
March	77.73	November	70.22
April	78.35	December	52.07
May	81.52	1909.	
June	98.20	January	77.14
July	52.32		
August	57.49		
September	55.89		826.22

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above miner's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk.*

EXHIBIT L.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

W. H. TURNBULL, miner, received in wages, at $2.62½ per 100 bushels, or 65½ cents per ton—

1908.		1908.	
February	$51.40	October	$70.39
March	77.72	November	61.64
April	79.13	December	59.17
May	108.07	1909.	
June	102.03	January	58.14
July	75.61		
August	81.57		
September	72.57		897.44

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above miner's wages for the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk.*

EXHIBIT M.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

RICHARD PRICE, miner (one boy), received in wages, at $2.62½ per 100 bushels, or 65½ cents per ton—

1908.		1908.	
February	$88.09	October	$131.32
March	128.62	November	104.72
April	129.43	December	91.05
May	133.27	1909.	
June	118.65	January	128.02
July	123.55		
August	151.39		
September	158.45		1,486.56

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above miner's wages during the year ending February 1, 1909.

J. W. WILSON, *Pay Roll Clerk.*

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EXHIBIT N.

[Mine's run during the year, February, 1908, to February, 1909, 271¼ days.]

JOHN HUBBARD, miner, received in wages, at $2.62½ per 100 bushels or 65½ cents per ton.

1908.		1908.	
February	$64.24	October	$74.41
March	66.51	November	64.14
April	61.17	December	50.34
May	72.78		
June	72.97	1909.	
July	65.34	January	80.45
August	46.43		
September	73.23		791.91

THE OTTO MARMET COAL AND MINING CO.,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above miner's wages during the year ending February 1, 1909.

J. W. WILSON, *Pay-Roll Clerk.*

EXHIBIT O.

[Mines run during the year, February, 1908, to February, 1909, 271¼ days.]

A. J. PIERSON, miner (one boy), received in wages at $2.62½ per 100 bushels or 65½ cents per ton.

1908.		1908.	
February	$109.58	October	$84.16
March	112.89	November	75.28
April	127.77	December	60.44
May	138.12		
June	147.99	1909.	
July	140.47	January	93.24
August	109.11		
September	57.27		1,256.32

THE OTTO MARMET COAL AND MINING COMPANY,
EDW. SCHONEBAUM, *General Manager.*

I hereby certify this is a true abstract of the above miner's wages during the year ending February 1, 1909.

J. W. WILSON, *Pay-Roll Clerk.*

EXHIBIT P.

MINIMUM WAGE SCALE.

[Each mine has men to whom higher wages than the scale are paid.]

[Basis, ton 2,000 pounds, run-of-mine coal.]

Kanawha thick vein, Nos. 1 and 2 seams.

Pick mining	$0.45
Pick mining, Powellton seam	.42½
Yardage in pick entries and break throughs between entries	1.00
Machine loading in room	.22¾
Machine loading in entries, break throughs in entries and room necks	.27½
Machine cutting in both rooms and entry	.05¾

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Kanawha hard coal, No. 5 seam.

Pick mining	$0.47
Yardage in pick entries and break throughs between entries	1.10
Machine loading in rooms	.23¾
Machine loading in entries and break throughs in entries and room necks	.28
Machine cutting in room	.06¼
Machine cutting in entry, break throughs between entries and room necks	.07¼

Screened coal to be paid for on basis of percentage of screenings.

Coalburg seam.

Pick mining	$0.52
Yardage in pick entry and break throughs between entries	1.25
Machine loading in room	.28¾
Machine loading in entry and break throughs in entries and room necks	.33
Machine cutting in room	.06¼
Machine cutting in entry, break throughs between entries and room necks	.07¼
Over 1½-inch screen:	
Pick mining	.75
Machine loading in room	.38
Machine loading in entry, break throughs in entry and room necks	.46
Machine cutting in room	.09
Machine cutting in entry, break throughs between entries and room necks	.10½

Raymond City seam.

Pick mining over 1¾ screen, per 100 bushels	$2.62½
Yardage in entries and break throughs between entries	1.25

Cedar Grove seam.

Pick mining	$0.52
Yardage in pick entries and break throughs between entries	.85
Machine loading in room	.28¾
Machine loading in entries, break throughs between entries and room necks	.33
Machine cutting in room	.08¾
Machine cutting in entries, break throughs between entries and room necks	.09¾

Mill Creek cannel coal.

Pick mining	$0.59
Machine loading in room	.30
Machine loading in entries and break throughs between entries	.34
1-inch coal:	
Pick miners, 1-inch coal	.70
Machine loading, 1-inch coal	.35
Machine loading in entries and break throughs between entries	.39

Lewiston seam to be same as Coalburg.
Kanawha seam to be same as Coalburg.
Elk River seam same as Kanawha hard coal, or No. 5 seam and Coalburg.
Winifrede seam same as Coalburg.
Gauley River seams to be based upon Kanawha seams that apply to them.

Inside day labor.

Water haulers, machine haulers, and drivers of 1 mule	$1.90
Drivers of 2 mules	2.00
Motormen and machine runners	2.35
Track layers	2.25
Track layers' helpers	1.85
Slate shooters	2.10
Couplers	1.10
Greasers	1.00
Trappers	.80
All other inside day labor	1.85

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PRODUCERS OF THE PITTSBURG DISTRICT OF OHIO FAVOR RECIPROCAL FREE COAL WITH CANADA.

WASHINGTON, D. C., *March 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The producers of coal from the Pittsburg district of Ohio, with an annual output of 12,000,000 tons of bituminous coal, believing that a reciprocal agreement with reference to coal should be entered into with the Dominion of Canada, beg leave to submit the following reasons for such an agreement:

For the sake of brevity we adopt and make a part hereof the statistics furnished by the operators of western Pennsylvania in their printed argument filed with your committee.

These statistics show that the balance of trade is very much in favor of the United States, notwithstanding the fact that the duty charged on coal exported into Canada is nominally the same as the duty charged by the United States on coal imported into this country.

Our experience in past years has demonstrated that practically no more coal has been brought into this country from Canada when the duty has been much reduced or entirely eliminated.

The maintenance of the present duty on coal between Canada and the United States is compelling the Canadian purchaser of our coal to pay to the Canadian Government over $3,000,000 per annum for the privilege of securing our product.

We believe that the reduction in cost to the consumer of our coal in the Province of Ontario that would naturally follow the abandonment of the duty would tend to build up the manufacturing industries in the section adjacent to the Great Lakes and would greatly increase the consumption of coal from the States.

We believe that there is little ground for the argument that our eastern seaboard markets would be supplied with coal from Nova Scotia, and the coal from West Virginia and central Pennsylvania displaced.

Our grounds for so thinking are based entirely on the fact that the Nova Scotian coal is very inferior in quality and a very low grade of steam coal, and is relatively of much less value to the consumer than the high-grade coals from West Virginia and central Pennsylvania.

That the coal from the States referred to, on its own merits and from actual tests, is of so much more value to the consumer that the danger of displacement from coal from Nova Scotia is very remote indeed.

While it is true that the Pacific States secure small quantities of coal from British Columbia, they do so from necessity, being so far from the coal-producing districts of the United States the railroad freights almost prohibit the use of eastern coal in this section, and we believe that is is only fair that these consumers of coal should not be required to pay a high duty on the coal they purchase from British Columbia.

Taking everything into consideration, with the balance of trade standing as it does to-day, with an opportunity to increase our exports of coal into the Province of Ontario, with the small amount of coal imported into this country from Canada, part of it coming from necessity, we believe that the benefit derived from the elimination of the

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duty on this product will much more than compensate us for any loss we have to fear.

The operators signing this paper urge the elimination of the present duty on condition that the Canadian government abolish its duty on coal from the United States. If the latter government does not so abolish the duty, then we desire that there be no change in the present tariff.

Respectfully submitted.

The Glens Run Coal Co., by C. E. Maurer, president; The Morris-Poston Coal Co., by Wm. Harper, secretary; The Jefferson Coal Co., by Jno. E. Newell, vice-president; The Wheeling and Lake Erie Coal Mining Co., by R. L. Ireland, vice-president; The Virginia Hill Coal Co., by D. J. Jordon, manager; The Belmont Coal Mining Co., by Thos. K. Maher, general manager: The Pittsburg-Belmont Coal Co., by Frank Prendergast, president; The Gordon Coal Mining Co., by Samuel Gordon, president; A. J. Morgan; Pursglove Coal Mining Co., by Samuel Pursglove, president; Moores Run Coal Co., by C. E. Hutchkinson, president; The Youghiogheny and Ohio Coal Co., by F. M. Osborn, president; Pittsburg and Cleveland Coal Co., by W. D. Sauters, president; The Roby Coal Co., by L. C. Dibble, sales manager; The Roby-Somers Coal Co., by L. C. Dibble, sales manager; The Lorain Coal and Dock Co., by Edward Johnson, president; The St. Clair Coal Co., by C. E. Maurer, president; The Russell Coal and Mining Co., by G. C. McKitterick, secretary; The Bakewell Coal Co., by John Bakewell, president; The Troll Coal Mining Co., by C. W. Troll, president; The Highland Coal Co.; The Shannon Coal Co.; The Raven Coal Co., by J. C. McKinley, president; A. G. Blair Mining Co.; Barton Coal Co., by Pitt Townsend, manager; Akron Coal Co., by James Loomis, president; Dexter Coal Co.; The Geo. M. Jones Co., by Geo. M. Jones, president; Johnson Coal Co., by J. F. Johnson, president; Kennon Coal and Mining Co., by Pressley Burton, president; M. J. Schick & Co., by M. J. Schick; Ohio and Penna. Coal Co., by J. B. Zerbe, president; Rail and River Coal Co., by J. J. Roby, manager; Rayland Coal Co.

COAL SLACK OR CULM.

[Paragraph 415.]

HON. S. B. ELKINS, SENATOR, THINKS THAT CANADIAN COAL SLACK OR CULM SHOULD PAY FULL DUTY.

WASHINGTON, D. C., *February 19, 1909.*

Hon. SERENO E. PAYNE,
House of Representatives.

DEAR SIR: I send you herewith inclosed some figures sent me by the Bureau of Statistics, which you will readily understand. From

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1902 to 1908, six years, it appears we had imported as slack or culm about 3,500,000 tons, on which there was paid a duty of only 15 cents. This has saved the importers 42 cents on each ton, which the Government lost as duty. If this culm, or the coal out of which it was made, had paid the 67 cents duty the Government would have received more than a million dollars.

I am informed this culm is mostly imported into Boston and used in by-product ovens. It is manufactured into culm at the mines by pulverization, which makes it better for use in by-product coke ovens.

It never was the intention of Congress that culm made in Canada out of coal should be imported at 15 cents, because it is just as good coal before it is pulverized as the ordinary coal that is imported and which pays 67 cents, and it therefore seems to me that the whole provision about slack or culm should be stricken out or amended by providing that manufactured culm or pulverized coal shall pay full duty.

There is very little culm which comes from the waste of mining coal which is imported. If it be true that this coal is pulverized and made into what is known as "culm," so as to avoid the duty, this should be corrected.

I write this that you may be advised.

Very truly, yours, S. B. ELKINS.

Imports of bituminous coal into the United States on which duty was paid, 1902 to 1908.

Year ending June 30—	Coal and shale (duty 67 cents per ton).	Slack or culm of coal (duty 15 cents per ton).
	Tons.	*Tons.*
1902	1,347,208	575,752
1903	1,118,468	498,559
1904	417,476	267,094
1905	920,951	589,966
1906	1,104,221	681,904
1907	1,038,030	625,559
1908	1,378,529	551,691

Bituminous coal imported into the United States from Canada, Nova Scotia, and other Canadian Provinces.

Years ending June 30—	From Nova Scotia.	From other Canadian provinces.	Total Canada.
	Tons.	*Tons*	*Tons.*
1902	669,920	812,436	1,482,256
1903	1,142,627	643,093	1,785,720
1904	740,118	577,229	1,317,347
1905	666,453	562,895	1,229,348
1906	.....	.....	1,479,143
1907	.....	.....	1,297,376
1908	.....	.....	1,255,036

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FEATHERS.

[Paragraph 425.]

BRIEF SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK IN BEHALF OF THE IMPORTERS OF FRENCH MILLINERY FEATHERS.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to call your attention to the fact that the duty of 50 per cent ad valorem imposed upon the above-named articles is tantamount to a prohibition and renders all transactions in these goods next to impossible between France and the United States, whilst all manufactured feathers, whatever may be their origin, enter France entirely free of duty.

We would, therefore, request your honorable body to reduce the present duty to 35 per cent, in view of the considerable revenue that would accrue thereby to the Treasury and in order to promote reciprocal business facilities between both countries.

We remain, gentlemen, very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

JEWELRY.

[Paragraph 434.]

HENRY G. THRESHER, PROVIDENCE, R. I., REPRESENTING THE MANUFACTURING JEWELERS AND SILVERSMITHS, SUBMITS A PROPOSED SCHEDULE FOR JEWELRY.

WASHINGTON, D. C., *February 23, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Will you permit us to offer a substitute for the jewelry paragraph already recommended? In doing so it is proper to state that we have availed ourselves of suggestions and advice from Mr. Doherty, of the Treasury Department. Our proposed paragraph embraces a more limited class of goods and includes only articles made in this country by manufacturing jewelers. For this reason it is not open to the adverse criticism by importers that would be directed against your suggested measure.

We have been unavoidably delayed in presenting our proposed schedule by reason of conferences between manufacturers of jewelry of all descriptions doing business in Newark, Providence, Attleboro, and, indeed, in all of the principal cities throughout the United States on the one hand and leading importers on the other. In order to overcome, as far as possible, friction between such antagonistic forces and also having in mind the intention of Congress to reduce tariff rates wherever a reduction will not prove destructive of Amer-

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ican industries, we have surrendered to our foreign competitors large lines of goods which, though made in small quantities in this country, now require from 150 to 300 per cent duty to afford adequate protection; a high rate we do not ask for nor would your committee allow. It will be observed that in the first bracket all articles costing less than 20 cents per dozen are permitted to come in at the rate applicable to the manufacturers of metal or glass. This concession is made notwithstanding the fact that under decisions of the Board of General Appraisers and the courts, brooches, bracelets, pins, and many other articles of personal adornment , valued at not more than 5 to 8 marks per gross, the equivalent of 10 to 15 cents per dozen, are at present assessed for duty at 60 per cent ad valorem.

Inasmuch as the great bulk of such goods cost between 10 and 20 cents per dozen, the reduction will, in our opinion, more than offset the increased duty we are asking for similar articles costing 20 cents and over per dozen. Indisputably the result will be a reduction in duty on all goods where the advance is not more than warranted by the difference between the home and foreign labor cost. The same argument applies equally to the goods included in the other brackets; for instance, stampings and materials used in the fabrication of cheap jewelry are imported solely to evade the present duty on jewelry. Fully 90 per cent of the labor necessary to make jewelry has been expended on these materials abroad; nevertheless, they are legally entitled to entry as manufactures of metal, to the serious detriment of domestic producers. This defect in existing law has been cured while at the same time materials not intended to be made into jewelry can still be imported as manufactures of metal.

Regarding chains suitable for jewelry purposes, domestic manufacturers have conceded everything but rope and fancy chains of high cost to their foreign competitors. In our opinion fully 85 per cent of all chains will be subject to duty as manufactures of metal, a classification which precludes them from being made in this country; nevertheless, if the high-grade chain can be produced here with even a trifling profit we will be content.

Gold jewelry retains the present duty of 60 per cent, a rate that can not be lessened without serious detriment to the business, wages paid abroad being less than half the amount paid in this country. A reduction of even 5 per cent would in many cases rob domestic manufacturers of the little profit they are now making.

In presenting this schedule for your consideration, we desire to state that George R. Howe, representing the manufacturers of gold jewelry; H. G. Thresher, representing the makers of cheap jewelry; and Alfred Krower, of Albert Lorsch & Co., representative importers of precious and imitation stones, chains and jewelers' findings, have labored diligently to harmonize their differences and so successfully that they all unite in supporting the paragraph we now propose.

From a revenue standpoint the desirability of our proposition can not be questioned. We doubt if importations will be curtailed in the slightest degree, and although the natural result of a reduction in duty is to decrease the revenue, the increased duty on some of the articles, a duty that is essential for the preservation of our industries and which will not retard importations, will tend to counterbalance the loss of revenue on the other articles, the rates on which have been lowered.

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Foreign manufacturers have openly boasted that if the United States should double the existing duty on jewelry they would still control our market. We concede the truth of this claim as to the cheaper classes, but if Congress will so legislate that on the better grades we can derive some profit, however slight that profit may be, we are willing to continue the manufacture of such and surrender to our foreign rivals the cheaper grades.

The schedule we ask your honorable committee to indorse will, we believe, accomplish such a result, unless indeed the foreign makers cut their profits in half, in which event they will pay the increased duty, our Government be the gainer, and the consumer none the worse off. Even should purchasers in this country be forced to pay a slight increase in present prices on some articles of jewelry, compensation lies in the fact that on others the cost to them will be less. Articles of jewelry for the rich, as well as those for the laboring classes, represent luxuries and not necessities of life. They are articles designed to ornament the person, procured with surplus savings set aside to satisfy the inherent vanity of all people of all nations. A cent or two more expended for that purpose would work no hardship to the wage-earner, while to American manufacturers of cheap jewelry any addition to their profits is of vital importance. The advance in wages, together with the decreased hours of labor, have year by year caused the profits of home manufacturers of all classes of jewelry to dwindle, until to-day the business has practically ceased to be remunerative.

We do not advocate any reduction in wages, but we do ask for sufficient protection to enable us to derive a slight profit from the products of our factories. The division of subjects and phraseology of the paragraph we now submit is the work of Mr. Doherty and the general appraisers, and we have assurances from them that under its terms litigation will be reduced to a minimum. We have been informed that there are now pending before General Appraiser Sharretts approximately 15,000 undecided protests relative to iewelry. When we stop to consider that each one of these 15,000 protests represents an effort on the part of an importer to bring into the country foreign-made goods at a less rate of duty than our Government contends Congress provided therefor, we must concede the wisdom of changing the language of the present act so as to render more secure the protection our legislators designed to accord to American manufacturers of jewelry and novelties designed to be worn on, or carried about, the person.

We respectfully submit herewith our proposed schedule, which we earnestly request your honorable committee to adopt.

HENRY G. THRESHER,
Chairman Tariff Committee,
New England Manufacturing Jewelers'
and Silversmiths' Association.

EXHIBIT A.—SUGGESTED JEWELRY SCHEDULE.

Chains, pins, collar, cuff, and dress buttons, charms, combs, millinery and military ornaments, together with all other articles of every description, finished or partly finished, if set with imitation precious stones composed of glass or paste (except imitation jet), or composed wholly or in chief value of silver, German silver, white metal, brass, or gun metal, whether or not enameled, washed, covered, plated, or alloyed with gold, silver, or nickel, and designed to be worn on apparel or carried on or about

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or attached to the person, valued at 20 cents per dozen pieces, 1 cent each and in addition thereto three-fifths of 1 cent per dozen for each 1 cent the value exceeds 20 cents per dozen; all stampings and materials of metal (except iron or steel), or of metal (except iron or steel) set with glass or paste, finished or partly finished, suitable for use in the manufacture of any of the foregoing articles (except chain valued at less than 30 cents per yard other than nickel or nickel-plated chain), valued at 72 cents per gross, 3 cents per dozen pieces and in addition thereto one-half of 1 cent per gross for each 1 cent the value exceeds 72 cents per gross; rope, curb, cable, and other fancy patterns of chain, without bar, swivel, snap, or ring, composed of rolled gold plate, or of silver, German silver, white metal, or brass, not exceeding one-half of 1 inch in diameter, breadth, or thickness, valued at 30 cents per yard, 6 cents per foot and in addition thereto three-fifths of 1 cent per yard for each 1 cent the value exceeds 30 cents per yard; finished or unfinished bags, purses, and other articles, or parts thereof, composed in chief value of silver, German silver, or white metal mesh or links, valued at $2 per dozen pieces, 10 cents per piece and in addition thereto three-fifths of 1 cent per dozen pieces for each 1 cent the value exceeds $2 per dozen; all of the foregoing, whether known as jewelry or otherwise and whether or not denominatively or otherwise provided for in any other paragraph of this act, 25 per centum ad valorem in addition to the specific rate or rates of duty herein provided; all articles commonly or commercially known as jewelry or parts thereof, finished or unfinished, including chain, mesh, and mesh bags and purses composed of gold or platinum, whether set or not set with diamonds, pearls, shell, or other cameos, coral, or other precious or semiprecious stones or imitations thereof, 60 per centum ad valorem.

DIAMONDS.

[Paragraphs 435 and 545.]

D. DE SOLA MENDES, NEW YORK CITY, THINKS DIAMONDS PIERCED FOR MECHANICAL USES SHOULD PAY DUTY.

12–16 JOHN STREET,
New York, February 26, 1909.

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: Will you allow me to again call your honorable attention to the loss of revenue to our Government through the misinterpretation of the present tariff bill relative to the tariff on rough diamonds for mechanical purposes? Under the present existing law, as you know, diamonds for mechanical purposes are allowed to come in free of duty; but should this apply to diamonds that have been worked on by being pierced and which are utilized for diamond dies by all wire makers? The labor (piercing a diamond) requires from eight to ten hours on each stone. The value of the stone is doubled, and the allowance of these pierced stones to come over here free of duty not only deprives our Government of legitimate revenue, but takes the work out of the American workman's hands, as they are pierced in Germany and France with cheap labor—impossible for Americans to compete with. The so-called "makers of diamond dies" in this country have them pierced or drilled in Europe, bring them over here free of duty, and finish them off here.

The same thing applies to diamonds as used by electrical concerns for making diamond meter jewels. These diamonds for jewels are cut and polished on the other side with cheap labor, and in spite of the fact of this work having been done on them and enhancing the value they are allowed to come in here free of duty. Why, then, should these stones come in free of duty and a diamond that has been cleaved in Europe must pay 10 per cent? And even carbons

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(black diamonds) which have been cleaved in Europe must pay 10 per cent, and these stones pay nothing.

We have no ax to grind, as we are not makers of diamond dies, but merely write this to inform you of the true state of things, and the imposition that is being perpetrated on our Government by the so-called makers of diamond dies in this country. Also in behalf of the many American diamond-die workers, who in former years made dies for such users as the American Steel and Wire Company, being thrown out of employment, as the said company and others buy their stones from these so-called makers of dies here, who import them ready drilled and merely finish them cheaper than they can afford to make them here.

Trusting that you will give us some redress in the new proposed tariff bill, with apologies for taking up your valuable time,

Very truly, yours,

D. DE SOLA MENDES,
Mendes Cutting Factories,
Cutters of and Merchants in Precious Stones.

HIDES.

[Paragraph 437.]

MILTON J. FLORSHEIM, CHICAGO, ILL., REITERATES HIS OPINION THAT HIDES SHOULD BE RETURNED TO THE FREE LIST.

CHICAGO, ILL., *March 3, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: A gentleman just intimated to me that there was some talk in Washington in reference to a compromise as to the duty on hides.

I trust you will not consider me presumptuous in addressing you, but I really believe that free hides, a reduction of the duty on leather, as well as shoes, are absolutely essential to the people of the United States.

A compromise in reference to the duty on hides will not avail. We must have absolutely free hides in order to stop the packers from getting an absolute monopoly of the tanning business of this country, a condition which I am sure your committee is just as anxious to prevent as are the manufacturers of shoes.

Furthermore, there is no doubt that if we can get free hides and if your committee, in its wisdom, will lower the present schedules on both upper and sole leather, as well as tanning materials, and by also reducing the duty on shoes, you are going to benefit all the people of the United States and will very materially help the American shoe manufacturers in increasing their export business, which will give employment to a very large number of skilled mechanics.

I hope that your committee will consider carefully, and will not be misled by fallacious arguments. The demand of hides of cattle absolutely and unqualifiedly free of duty is the only thing which will accomplish the end which I believe your committee has in view.

Very respectfully, yours,

THE FLORSHEIM SHOE COMPANY,
By MILTON S. FLORSHEIM, *President.*

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HIDES, LEATHER, AND SHOES.

[Paragraphs 437 and 438.]

MILTON J. FLORSHEIM, CHICAGO, SUBMITS ADVERTISEMENT OF ARMOUR LEATHER COMPANY, AS TANNERS.

CHICAGO, ILL., *March 3, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: The inclosed clipping is taken from the Chicago Record-Herald of March 2.

Notwithstanding Mr. Connor's reported denial, it is a fact that Armour & Company are both in the sole and upper leather tanning business very extensively, operating in their own name as well as through subsidiary companies which they control, and the same methods have been followed by the other packers. The inclosed advertisement of Armour & Company in Hide and Leather of February 28 certainly substantiates this.

They may be or may not be in the shoe-manufacturing business. We are not advised as to this, but it is logical to assume that the very reasons that made them go from the hide business to the tanning business will eventually make them go from the leather business to the shoe-manufacturing business; and if the same methods that are usually followed by large companies who have special tariff protection are carried out, they will soon retail shoes.

This condition could not exist if the hides of cattle were put on the free list, where they ought to be, and the duty on the finished leather, sole as well as upper, was considerably reduced from the present schedules.

We hardly feel that this Government can afford to enact legislation the effect of which is to build up a monopoly for certain special interests. We do not believe that is the intent of our legislation, but it is a fact that the present duty on the hides of cattle is doing that very thing.

Furthermore, the putting of hides on the free list and reducing the duty on leather as well as on shoes would, in our opinion, reduce the cost of the shoe to a considerable extent to the consumer.

May we hope for your help and assistance to put hides on the free list and have the duty on the finished leather considerably reduced, thereby saving another large interest from becoming a monopoly, which will also help the public to buy shoes for less money.

Very respectfully, yours,

THE FLORSHEIM SHOE COMPANY,
By MILTON S. FLORSHEIM, *President.*

EXHIBIT A.

[From Hide and Leather, February 27, 1909.]

Armour Leather Company, tanners, announce the establishment, March 15, of Boston salesrooms at 242-244 Purchase street, carrying complete stocks in all selections and substances of union and scoured oak backs, oak belting butts, union and scoured oak bellies and heads, scoured, slaughter, oak and hemlock side leathers. Badger State Tanning Company, upper leathers.

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EXHIBIT B.

[From Chicago Record-Herald.]

BOSTON, *March 1, 1909.*

Shoe and leather men who are keeping a very close watch on the movements of Armour & Co. and that firm's agents now predict that the big Chicago packing firm will soon be in the shoe-manufacturing business. Its plan to enter leather manufacturing has been well advanced for a good while. Some months ago it was reported that Armour & Co. had contracted the tanning capacity of a large eastern tanning concern with facilities for cutting up sole leather into last sizes. Now local reports say that Armour & Co. have taken a large interest in the W. H. McElwain Company, with factories at Bridgewater, Mass., and Manchester and Newport, N. H., and a capacity for 25,000 pairs of shoes a day.

[Neither J. Ogden Armour, president of Armour & Co., nor Arthur Meeker, general manager, was in Chicago last night, but Thomas J. Connors, general superintendent of the company, denied absolutely that it planned to enter the shoe or the leather business. "Armour & Co. has not purchased an interest in any shoe-manufacturing concern," said Mr. Connors. "Any report that the company will enter the leather business is also untrue."]

FANCY LEATHER.

[Paragraph 438.]

THE NATIONAL ASSOCIATION OF MOROCCO MANUFACTURERS URGES THE RETENTION OF PROTECTIVE DUTIES ON ALL FINE AND FANCY LEATHERS.

WASHINGTON, D. C., *March 3, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I desire very respectfully and briefly to lay before you a few facts about the tariff on fine and fancy leather made from raw and pickled sheep, goat, kid, and calf skins. This is an industry which amounts annually to between $50,000,000 and $75,000,000, furnishing employment to perhaps 50,000 persons, earning approximately $100,000 per day, and involving not less than $30,000,000 capital invested. The raw skins are imported mostly from India, Russia, Turkey, China, Africa, and South America, coming to this country via Europe, and are subjected to the necessary charges for handling and transshipment, thus giving European manufacturers the advantage of cheaper raw material. The calfskins come most largely from Russia and Germany, and the raw pickled sheepskins from England, Australia, and South America, and all are subject to the same conditions as to charges at European ports.

Goatskins are used for the manufacture of kid for shoes, and is an American industry developed under the Dingley tariff and paying a duty of 20 per cent. A lower rate of duty would enable English, German, and Belgian manufacturers to sell their products in this country at less than it could be produced here, owing to the great difference in the cost of labor and tanning materials, such as gambier, sumac, etc., which are of foreign origin.

When in Belgium about three years ago, a manufacturer of kid proposed that I put money into his business in order to enable him to develop it so as to satisfy his domestic trade and enable him to export to America. He told me he employed about 50 per cent of female labor, averaging 38 cents per day and male labor he was paying from 85 cents to $1 per day, while at the same time we were

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paying in this country from $1.50 for laborers to $4 per day for skilled workmen.

When in Germany I bought samples of sheep leather, paid 20 per cent duty and found them on an exact equality with our products, and I sold them in New York at precisely the same price. If the duty on lamb, sheep, calf, kid, and goat leather should be reduced below 20 per cent it would result in the throwing out of employment of thousands of workmen or the reduction of the American wages to such an extent as to inflict grave hardships upon the people.

One large manufacturer in Wilmington, Del., a few years ago opened a factory in France for the manufacture of kid, and I understand is now making as many dozens of kid skins in France as he is making in Wilmington, and I am informed that this firm recently stated that they were in favor of a reduction of the duty on the finished leather, and if the duty was reduced they would move their entire plant, producing about $5,000,000 worth per annum to France, and in one year could save in wages enough to compensate them for any loss they might make on their property at Wilmington, Del. You may form some idea of the magnitude of this business when I state that from 750,000 to 1,000,000 sheep, goat, calf, and kangaroo skins are used daily in the production of this leather in this country. If you can imagine a million animals passing daily along Pennsylvania avenue, the skins of all to be made into shoes, gloves, books, and all the articles of which leather forms a part, you will realize what it means to interfere with this great industry by reducing the tariff and allowing foreign manufacturers to control this market. No increase of the duty provided in the Dingley tariff is desired, and nothing less than 20 per cent will suffice to enable us to hold the trade we have already created and hope to develop still further.

The National Association of Morocco Manufacturers and a number of other organizations have assumed the position on this matter which is voiced in this brief statement. I shall hold myself in readiness to appear before your committee or any member of it and give the name of the firm mentioned in this brief, and any other information which you may desire.

Respectfully submitted.

RICHARD YOUNG.

GLOVES.

[Paragraphs 439–446.]

HUGO BONDY, NEW YORK CITY, THINKS THERE IS NO NECESSITY FOR REDUCING THE DUTIES ON GLOVES.

225 FIFTH AVENUE,
New York, February 2, 1909.

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: I beg to state my views on the subject of the glove schedule, as follows, viz:

Under the tariff now in force the American manufacturer has undoubtedly prospered. He has increased his production constantly

and is barely able to supply the demand. This proves that in the line of gloves which he has chosen to manufacture he is amply protected against foreign competition. I say in the manufacture of goods "which he has chosen," because out of a great variety of styles and qualities he has selected the one requiring less scrupulous exactness in workmanship. It is chiefly the prix seam glove.

The bulk of the enormous business in this class of goods is done by the American manufacturer, because he excels in making them and making them quickly. He had the same degree of protection in round seam and pique gloves and he has failed to demonstrate that he can successfully supply the demands of this market. Therefore I say that the article in which he excels is his own choice—it is a glove, good in looks and excellent in wear, but without the requirement of a scrupulously perfect fitting article. If this was the class of goods upon which his success was to depend, he would fail.

I believe that even without the additional duty of 40 cents per dozen each for prix seam sewing and embroidery the American manufacturer would retain his supremacy, but inasmuch as it is a question of revenue, and the public is willing to pay the present prices for gloves, I do not think that there is any necessity for reducing the present schedule of duties.

The American manufacturer has never succeeded in making an excellent real kid or lamb or schmaschen glove in round seam or pique, why then should he ask for an increased rate of duty on these goods?

The great popular demand in the kid-glove line is for gloves retailed at 75 cents, $1, and $1.50 per pair, respectively, and the rates of duties in the tariff now in force are so judiciously determined that an increase would neither help the American manufacturer nor increase the revenue of the Government. It would act to the detriment of the consumer, for he would have to take an inferior quality at the price at which he is getting a good glove at present.

If your committee desires to know anything regarding the German wages paid for the cutting, sewing, embroidering, and finishing of the gloves in real kid, lamb, and schmaschen, I am willing to submit by return mail my memorandum book showing exactly what wages I am paying in my factory in Arnstadt, Germany.

Most respectfully, yours,

HUGO BONDY.

STATEMENT SUBMITTED BY THE FRENCH CHAMBER OF COMMERCE OF NEW YORK CITY IN BEHALF OF THE IMPORTERS OF FRENCH KID GLOVES.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We ask for reductions of duties on gloves imported from France, and beg to substantiate our claims by the following considerations:

The difference between the cost price of a dozen pairs of gloves in the United States and the duties on a dozen pairs of gloves imported, is greatly in favor of the domestic manufacturer.

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The cost of production comprises the leather and the making.

For the raw leather the American manufacturers enjoy the same facilities as we do, since they can buy leather everywhere under the same conditions, and it is supplied by the whole world. They even have an advantage over us, inasmuch as they are nearer to Central and South America, which produce very fine qualities of leather that are much in demand for the glove trade, and as there is no duty imposed by the United States on such raw material they can purchase it at the same price as the French manufacturers.

The dressing of kid leather costs in France, according to the quality and size, from 4.50 to 6.50 francs per dozen, and the same work in the United States is paid approximately the same price. The dyeing of the gloves, on the other hand, does not cost any more in America than in France, so that the manufacturer can have the leather dressed and dyed at the same figures in both countries.

The duties imposed by the Federal Government have been established apparently to cover the possible difference between the cost in America and abroad, in order to allow the domestic manufacturer to compete with even chances with the foreign one.

We will show, however, that the actual rate of duties is so high that it gives him an enormous advantage over his competitor. We will choose as an example the price of a short glove for women (3 buttons in length), of a long glove (16 buttons in length), and of a man's glove, of styles commonly sold in the United States, without any embroidery, not being piqué, as an extra tax is levied on gloves of those descriptions.

The prices that we submit are average prices of the Grenoble makers, a small quantity being made perhaps at a lower cost, but a large quantity being made in better qualities at a higher cost, shipped for the American market. At any rate we thought it wiser to give medium average prices that we can guarantee to be correct.

Admitting, as stated above, that the manufacturers in both countries are on an equal footing as to the dressing and dyeing of the leather, we will give the cost of making as follows:

	Cost of making—		
	One dozen, women's, 3 dômes.	One dozen, women's, 16 inches long.	One dozen, men's, 2 dômes.
	Francs.	*Francs.*	*Francs.*
Cutting	3.50	7.00	4.00
Slitting	.50	.75	.50
Sewing	1.50	2.00	2.00
Cording the back	.50	.50	.50
Welts and bindings	.85	.70	.85
Putting on fasteners and leather facing	.95	.95	.75
Dressing or laying off	.40	.50	.40
	8.20	12.40	9.00

We will call your attention to the fact that in the above calculation is not included the cost of supplies, such as silk or thread for sewing, etc., which amounts to 2.50 francs per dozen, the packing and general expenses, etc., having limited ourselves to the workmanship alone. In comparing the cost price of making gloves in Grenoble with the

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prices that we take from the list adopted by the Glove Manufacturers' Association, and which are as follows:

	One dozen, women's, 3 dômes.	One dozen, women's, 16 inches long.	One dozen, men's, 2 dômes.
Cutting	$0.88	$1.78	$0.88
Slitting	.15	.20	.15
Sewing	.75	1.00	.75
Cording the back	.10	.10	.10
Welts and bindings	.11	.11	.11
Putting on fasteners and leather facing	.20	.20	.10
Dressing or laying off	.15	.20	.15
	2.34	3.59	2.24
	Francs. 11.70	*Francs.* 18.00	*Francs.* 11.20

You will see that the differences are:

First: 3.50 francs, or about 70 cents for a dozen pairs on 3 dômes ladies' gloves, whilst the duty on the imported gloves of the same description is $3, or 15 francs.

Second: 5.60 francs, or about $1.12 for a dozen 16-button length ladies', whilst the duty is $4.75, or in francs 23.75.

Third: 2.20 francs, or about 44 cents for a dozen of men's gloves, whilst the duty is $4, or in francs about 20 francs.

Therefore the difference between the cost of making gloves in Grenoble and that of making them in the United States is, as you can see, very much inferior to the duty which is placed to compensate the same, and for that reason we ask for a reduction of duties, which would even up a little this difference.

We wish to lay still more stress on our desire to see the extra duties abolished. At present they are fixed for gloves with more than one cord embroidered at 40 cents, and for gloves piqué or prick seam at 40 cents per dozen.

The cost of embroidering gloves in Grenoble varies from 1 to 2 francs, including silk and work, and the corresponding price for the same is not higher in the United States. We are therefore paying actually a duty equal to 100 to 200 per cent ad valorem.

The difference in the cost of making a dozen of over-seam gloves and piqué or prick-seam gloves is 1.50 francs (30 cents), whilst the extra duty collected on a piqué or prick-seam glove is 40 cents, which is equal to a difference of 133 per cent ad valorem.

This discrimination against imported gloves is, in our opinion, exceedingly unjust. We trust that the above considerations will appeal to your sense of equity and that you will assure us of more reasonable treatment in the future.

We remain, gentlemen, very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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NEW YORK IMPORTERS OF AND DEALERS IN GLOVES FILE THEIR OBJECTIONS TO SCHEDULE AND RATES SUBMITTED BY AMERICAN GLOVE MAKERS.

NEW YORK CITY, *February 27, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned importers and dealers in gloves, of the city of New York, desire to refer to the proposed amendments to the glove schedule as suggested by the Glove Manufacturers' Association of Gloversville and Johnstown, N. Y.

The reasons for our objections to said amendments are:

1. The present rates of duty on leather gloves are greatly in excess of the difference in cost of production between the imported and the domestic product.

2. Your statistics will show that the domestic product for the year 1905 was $17,740,385, as compared with importations of $4,899,793, from which it would appear that the domestic interests have control of more than 75 per cent of the market for leather gloves in this country. As your statistics do not show the amount of the domestic product for 1907, no comparison can be made with the importations for the fiscal year ending June 30, 1907, which were $10,261,945. The importations in 1907 were abnormally high, due to long gloves, as will appear from comparison with other years, and can not be expected to continue, as the style has passed.

3. No distinction is made between schmaschen, lamb, or kid, although there is a substantial difference in the cost of the skins.

4. Under the present tariff act—

A 2-clasp schmaschen glove retails at 75 cents per pair.

A 2-clasp lamb glove retails at $1 per pair.

A 2-clasp kid glove retails at from $1.25 to $1.50 per pair. These goods are now sold on such a close margin that if there should be any increase in duty the price would be proportionately advanced to the consumer, and if the domestic manufacturers' suggestions should be adopted there would be no 75-cent or $1 gloves sold, and the consumer will be compelled to pay $1.25 to $1.50 for a much inferior article heretofore sold at lower prices.

5. Under the present rates gloves under 14 inches pay, in schmaschen, $1.75; in lamb, $2.50, and in kid, $3; and as these would all pay from $4 to $5.50 under the proposed rates, it is manifest that increases of from $2.25 to $3.75 for schmaschen, $1.50 to $3 for lamb, and $1 to $2.50 for kid would be absolutely prohibitive.

6. The rates suggested are increases over the present rates of 128 per cent to 390 per cent for schmaschen, 60 to 200 per cent for lamb, and 33 to 184 per cent for kid, as appears from the following tabulation of present and proposed rates:

Actual measurements.	Present duty on—				Proposed rates.
	Schmaschen.	Lamb suede.	Lamb glace.	Suede and kid.	
11 inches	$1.75	$2.50	$2.50	$3.00	$4.00
11-12 inches	1.75	2.50	2.50	3.00	4.00-4.50
14 inches	1.75	2.50	2.50	3.00	5.50
16 inches	2.25	2.50	3.50	3.75	6.50
20 inches	2.75	3.50	4.50	4.75	8.50
24 inches	2.75	3.50	4.50	4.75	10.50
30 inches	2.75	3.50	4.50	4.75	13.50

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7. This is in direct opposition to the wishes of the people of this country who have declared themselves emphatically in favor of reductions in the present rates of duty.

8. Such increases mean a levying of a tax upon the cheapest glove imported of 33 cents per pair and from that the rate advances to $1.12½ per pair, which are exclusive of the additional duties provided for lined, hand-sewn, embroidered, pique, prix-seam, or silked gloves.

9. The 40 cents additional for embroidery of more than three single strands is excessive, as such embroidery costs but 12 to 15 cents per dozen more than one-row embroidery.

10. Changes in phraseology in tariff acts cause great confusion, and the present schedules are so well understood in the trade that no change whatever should be made in this respect.

11. Congress must consider the consumers and the revenue to be derived from imports, and should not, on the one hand, indirectly tax every man and woman in this country who wears leather gloves for the benefit of the already too highly protected domestic manufacturers, chiefly located in Fulton County, N. Y., and on the other hand, by excessive duties, prohibit the importation of gloves and deprive the Treasury of the revenue therefrom, which for the fiscal year ending June 30, 1907, amounted to $4,243,363.57.

Respectfully submitted.

Reynier Freres; P. Berthaud; Topken Co., Hugo A. Schmidt, secy.; Trefousse & Co.; Hugo Bondy; P. Centemere & Co.; V. Perrin & Cie., per Jules Mataquin, atty.; A. C. Hartmann; Tefft, Welles Co.; James H. Dunham & Co., Wm. J. Smith, pres.; J. M. Salve & Son; Taylor & Wechslep.

FUR WASTE.

[Paragraph 463.]

STATEMENT SUBMITTED BY FRENCH CHAMBER OF COMMERCE OF NEW YORK RELATIVE TO FUR WASTE.

32 BROADWAY,
New York City, February 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to call the attention of your honorable body to the abnormal and illogical duty imposed upon the skin or fur wastes from rabbits, hares, etc. As a matter of fact, the rabbit skins, hare skins, etc., are imported in this country when raw, free of duty, and in that class are included the skins which are open and pulled or plucked, or, in other terms, those which have been opened and from which the heads, paws, the tails, etc., have been cut off, and also the skins from which the coarse hair (called rabbit down), which covers the fine fur, has been removed by hand or by machinery.

It seems, therefore, abnormal, if such prepared skins are admitted free, that the waste which remains after the above-mentioned work has been performed on them should be dutiable at 10 per cent.

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It may be that the intention of the legislator was to protect American workmanship by the imposition of duty on furs cut in France, but as the skin and fur waste obtained from skins admitted free of duty can not be used in the manufacture of hats without being passed through a cleaning, dag, or blowing machine, the result attained is absolutely contrary to the desired one, as the seller on the other side is interested in performing these operations on the skins abroad, in order to save the expense on the freight to this country.

We would ask, therefore, that the following articles be admitted free of duty, as they are not a danger to any domestic interests, are of but little value, and logically ought not to be taxed, when raw skins, for the same purpose, are not:

Skin waste from rabbits, hares, etc.—Ears and legs, raw tails, carrotted tails, raw pieces, carrotted pieces, dressed or tanned pieces, muskrat pieces, nutria, beaver pieces, snips, dyed pieces, roundings.

Fur waste.—Rabbit and hare down, machine waste, brushings, hare combings, heated fur, greasy fur, combings.

We ask also that the duties on furs for hat manufacturing and dressed and dyed rabbit skins for peltry should be reduced from 20 per cent to 10 per cent ad valorem.

We trust, gentlemen, that you will see that our contentions are founded and that you will give satisfaction to our demands.

Thanking you in advance, we remain,

Very respectfully,

THE FRENCH CHAMBER OF COMMERCE OF NEW YORK,
HENRY E. GOURD, *President.*

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FREE LIST AND MISCELLANEOUS.

ROSINS.

[Paragraph 548].

HON. W. G. BRANTLEY, M. C., THINKS THAT IT WOULD BE WISE TO PUT A REVENUE DUTY ON ALL ROSINS.

WASHINGTON, D. C., *March 10, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: My attention has been called to the wisdom and as well the desirability of placing a revenue duty on rosins, and I beg to submit for consideration in the framing of the tariff bill, to be reported at the extra session of Congress, soon to convene, the following statement:

Under paragraph 548 of the present law, rosins are admitted free of duty, and during the calendar year of 1908, there was imported from France rosins as follows:

At New York, 4,745,800 pounds, equaling 16,949 barrels of 280 pounds each, of the value of $107,478.

At Philadelphia, 6,191,677 pounds, equaling 22,113 barrels of 280 pounds each, of the value of $153,389, making total importations New York and Philadelphia from France for last year of $260,867.

On the other hand the French tariff on rosins is as follows:

115 buds and resins, raw; colophany pitch, cakes of resin, and other indigenous resinous products, per 100 kil. gross 10 francs, general tariff—

which tariff is reported to me to be prohibitory. The result is that while rosin importations from France are growing rapidly, our exportations into that country, formerly a good market for American rosins, have practically closed. If these are the facts, as I have reason to believe they are, there could not be any question, it seems to me, as to the wisdom of our Government removing rosins from the free list and placing a proper duty on them. This should be done in justice not only to our rosin manufacturers, but to our Government as well. I have been advised that another very large shipment of French rosins is now on the way to this country. These importations are of comparatively recent date, and consequently the reasons heretofore prevailing for keeping rosin on the free list do not now exist. I beg to attach hereto copy of resolutions adopted by the Savannah (Ga.) Board of Trade, urging a rosin duty, and would call your attention to the fact that Savannah is the recognized market of the United States for rosins and spirits of turpentine, generally known as naval stores.

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I would beg to advise you also that the naval-stores industry is quite an important one in at least 8 States. It is fairly estimated that there is invested in this industry not less than $50,000,000. The output last year, according to a late report by the Forestry Bureau, was 4,288,283 barrels of rosin of the value of $17,783,509.61, and 36,589,000 gallons of spirits turpentine of the value of $14,112,377.32.

In this connection I would also call your attention to the fact that spirits turpentine is also on the free list, and that there was imported during the fiscal year 1908 141,825 gallons of it, valued at $33,748, as against an importation in 1901 of only 12,697 gallons, valued at $4,485.50.

It may be well, therefore, to consider the question of imposing a duty on spirits turpentine. Both rosin and spirits turpentine are mainly used in manufacturing and would seem to be legitimate articles for taxation.

Thanking you for your attention, I am, very truly yours,

W. G. BRANTLEY.

EXHIBIT A.

RESOLUTIONS PASSED BY THE SAVANNAH BOARD OF TRADE IN RE DUTY ON FOREIGN NAVAL STORES.

Whereas the United States custom-house records show that during the calendar year 1908 the imports of French rosin amounted to the equivalent of 25,000 barrels American basis, of a value of upward of a quarter of a million dollars on which no duty was paid, and that this is practically the first import of importance from France; and

Whereas it is known to us that further imports of French rosin are contemplated on a large scale, which are calculated to impair the value of the American article to a serious degree; and

Whereas there at present exists, and has existed for some fifteen years, a French tariff on American rosin and turpentine, commonly known as "naval stores," sufficiently high to absolutely exclude the markets of France to American exporters of naval stores: therefore be it

Resolved, That the Savannah Board of Trade is heartily in favor of the passage of a national law imposing a duty of 25 per cent ad valorem on all products of the pine tree, consisting of rosin, spirits of turpentine, or other articles commonly known as "naval stores," produced in France, Spain, Mexico, or any other country outside of the United States and its possessions; and be it further

Resolved, That a copy of this resolution be sent to the two United States Senators and all Congressmen representing the State of Georgia, with the request that immediate action be taken to introduce such a bill and have it passed as expeditiously as possible.

OLIVE-OIL FOOTS.

[Paragraph 626.]

JAMES S. KIRK & CO., CHICAGO, ILL., SUBMIT COPY OF PETITION FORWARDED TO TREASURY DEPARTMENT RELATIVE TO SULPHUR-OIL AND OLIVE-OIL FOOTS.

CHICAGO, *March 3, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: At the suggestion of Assistant Secretary Reynolds, of the Treasury Department, I beg leave to hand you herewith copy of petition which the department has taken under advisement.

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This petition is submitted to you with a view that in that section of the new tariff which will take the place of section 568 of the present tariff provision may be made for the unrestricted free entry of so-called "olive-oil foots," which are used in soap making and which, as will be seen from the petition, contain in reality no olive oil and are not edible.

Very respectfully, yours,

GEORGE SCHROEDER,
Chairman of the Tariff Committee
of Soap Manufacturers of the United States.

NEW YORK, *February 2, 1909.*

To the honorable the SECRETARY OF THE TREASURY,
Washington, D. C.

DEAR SIR: We, the undersigned, representing a large per cent of the manufacturers of textile and so-called "green castile soaps" (not medicinal) in the United States, apprehending the immediate ruin of our industry due to the uncertainty which the present application of the tariff act of July 24, 1897, has created in the market for what are commonly but erroneously known as "olive-oil foots," respectfully submit to you, Mr. Secretary, the following memorandum of facts with which we join a prayer for such relief as is in your power to afford us, to the end that we may secure speedy relief from the hardships that now shackle and threaten to exterminate our industry.

First. Usage only has sanctioned the term "olive-foots," as in reality this product contains absolutely no olive oil. Its base is a dry mass, which is the residue of ripe olives from which every atom and single particle of olive oil has been pressed.

Second. In further proof of our contention we cite the commercial nomenclature for this article in vogue in the principal producing countries of the world.

In the United Kingdom of Great Britain and in the British crown colonies the article known as "olive-oil foots" in the United States is called "sulphur oil."

In France and Italy, the two principal countries of production, the commercial scientific and governmental terms for the American "olive-oil foots" are "huile au sulphure," respectively, "oleo al sulfuro," both being literal translations of sulphur oil.

Olive oil is an article which is subject to a 100 per cent custom-house examination, whereas olive-oil foots are so easily recognized by their characteristics and disagreeable odor as well as the cheap containers in which they are imported because of the close margin of profit on and the comparatively low value of the article itself that it is not found necessary to examine more than a fraction of containers in each shipment.

Third. The present value of "olive-oil foots," which term, despite its technical falsity, we shall have to retain for the present, so as to avoid worse confusion, is 56 cents f. o. b. the leading European ports of export. As the result of the unprecedented scarcity of the principal raw material used in their manufacture, which in turn is due to the complete failure of the 1908 olive crop, we must needs figure with the possibility of further advances in prevailing quotations, and a rise of but 6 to 7 per cent would cause "olive-oil foots" to cost more than 60 cents in primary markets; and if American importers are compelled to enter their imports under section 626, after a primary market-price level of 60 cents or over has been established, they will, if the present theory is adhered to, be compelled to pay duty as olive oil on an article which has absolutely nothing in common with this product. How critical the situation is may be inferred from the fact that, due to the failure of the crop, which has brought about the scarcity of the raw material used in the manufacture of this article, the Italian Government has suspended the duty on sulphur oil, though its citizens are ordinarily among the largest producers of this article; and this enables Italian soap manufacturers to obtain their sulphur oil at a figure which will make it possible for them to flood the American market with their soaps in case we are obliged to pay duty on "olive-oil foots." Efforts in this direction have and are now being made by foreign soap manufacturers.

Intrusting the above facts to your careful consideration, Mr. Secretary, we respectfully urge you to cause to be issued a Treasury decision which will clearly set forth that hereafter collectors of customs are to levy duty on imports of "olive-oil foots" under section 568 of the tariff act of July 24, 1897, as "grease and oils (except fish oil), such as are commonly used in soap making," because such "olive-oil foots" are in fact sulphur oil, used in soap making, and for no other purpose.

In our humble judgment, it will be patent to you, Mr. Secretary, that in asking you to cause such a decision to be promulgated we are asking nothing more than justice and a logical interpretation of the existing tariff act.

In view of the great peril which besets our industry we ask you that if in your ripe and sound judgment of the law it will be impossible for the Treasury Department to afford us instant relief by such a decision to give us your answer without delay, so that we may not have abridged our rights to appear instanter before Congress with a view of securing that relief which we believe the framers of the tariff act of July 24, 1897, intended to afford us, but which, perhaps, unfortunately, was lost to us by the letter, not the spirit, of the law. We, however, humbly beg that if, in your wisdom, it be compatible with the letter of the law to afford us the relief which we beseech you to extend to us, to do so ere our plants shall have been forced into idleness, our workingmen into starvation, and ourselves into ruin.

M. M. Eavenson (J. Eavenson & Son, Camden, N. J.), chairman; George Schroeder (secretary of James S. Kirk & Co., Chicago, Ill.), chairman of the Permanent Tariff Commission of the Soap Manufacturers of the United States; Weidman Silk Dyeing Co., Paterson, N. J.; Wm. Waltke & Co., St. Louis, Mo.; B. J. Johnson & Co., Milwaukee, Wis.; Wadhams Oil Co., Milwaukee, Wis.; The De Journo Soap Co., Allentown, Pa.; Warren Soap Mfg. Co., Boston, Mass.; Fisk Mfg. Co., Springfield, Mass.; John T. Stanley, New York; Holbrook Mfg. Co., New York; J. F. Reichhard Co., New York; Thomas Gill Soap Co. (Inc.), Brooklyn, N. Y.; Granite City Soap Co., Newburgh, N. Y.; Rome Soap Co., Rome, N. Y.; American Soap and Washoline Co., Cohoes, N. Y.; A. Hoefner & Son, Buffalo, N. Y.; Dobbins Soap Mfg. Co., Philadelphia, Pa.; Chas. W. Young & Co., Philadelphia, Pa.; George Flint, Philadelphia, Pa.; Chas. J. Fox, Philadelphia, Pa.; Allison Bros., Middletown, Conn.; Sam'l Hanson & Co., Providence, R. I.; Miller Mfg. Co., Providence, R. I.; L. M. Leberman's Sons (Inc.), Philadelphia, Pa.; Philadelphia Textile Chemical Works, Philadelphia, Pa.; Enterprise Mill Soap Co., Philadelphia, Pa.; Vacuum Soap Co., Philadelphia, Pa.; Nicetown Mfg. Co., Nicetown, Philadelphia, Pa.

PETROLEUM.

[Paragraph 626.]

THE MIDCONTINENT OIL AND GAS PRODUCERS' ASSOCIATION, TULSA, OKLA., URGES RETENTION OF COUNTERVAILING DUTY ON PETROLEUM AND ITS PRODUCTS.

TULSA, OKLA., *February 27, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Midcontinent Oil and Gas Producers' Association embraces in its membership the owners of 87½ per cent of the 13,000 producing oil wells in the States of Oklahoma and Kansas, the total daily production from which wells is 180,000 barrels, which is 60 per cent of all the high-grade refining crude oil produced in the United States. The Oklahoma oil fields are situated in the interior, remote from seaboard transportation, which isolated location makes it difficult to market the product of the wells, to the great embarrass-

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ment of the producers. Already seriously handicapped in marketing 60 per cent of the crude oil of refining grade in the United States, the Midcontinent Oil and Gas Producers' Association is in position to realize more acutely than the producers of other sections of the United States the grave danger to the petroleum industry and the pecuniary disaster to individual oil producers if the existing protective tariff and countervailing duty are removed and the importation of crude and refined oils is permitted free of duty. Based upon the facts recited above, the members of this association, through its accredited officers, most earnestly submit to your committee and urge their serious consideration of the accompanying preamble and resolutions, unanimously adopted at its annual meeting held at Tulsa, Okla., February 27, 1909:

Whereas the existence of large quantities of crude oil in Mexico, adjacent to the Gulf of Mexico and easily accessible to cheap water transportation via the Gulf of Mexico and the Atlantic Ocean, is a grave menace to all producers of petroleum in the United States if the present countervailing duty on petroleum and its products is removed or lessened to a basis that will permit importations in competition with the product of the United States, and of Oklahoma especially (the crude oil of Mexico is located at tide water, while the crude oil of Oklahoma is located so far inland that it could not, under any circumstances, compete with the imported crude); the result would be disastrous to the Oklahoma producer, already confronted with many handicaps; and

Whereas within the last year two cargoes of petroleum products from the oil fields of Asia were received at Atlantic ports, as an experiment under present tariff regulations, resulting in partial success, from a pecuniary view point, the direct inference is that, with all duties removed, both the Atlantic and the Pacific seaboards would present attractive avenues for the exploitation of foreign oil fields and petroleum products, at the expense of citizens of the United States, aided by the coarser oils and cheaper labor and manufacturing prices of foreign competitors; and

Whereas the oil fields of Mexico are largely controlled, both as to the productive area and the present production and distribution, by English capital and affiliated commercial interests, any reduction of petroleum duties by the Congress of the United States at this time would be playing into the commercial advantage of Great Britain and against citizens of the United States, and would, furthermore, permit Great Britain to secure abundant cheap fuel for its navy by aiding the marketing of surplus Mexican oil at convenient American ports at a less price, undutiable, than the home product could be transported from the remote California fields: Therefore be it

Resolved by the Midcontinent Oil and Gas Producers' Association, That our Representatives in Congress be requested and urged to use their best endeavors to prevent the lowering or removal of existing tariffs and countervailing duties upon petroleum and its products, to the end that one of the most important industries of the United States may be adequately protected from the serious and menacing danger of a flood of cheap foreign oil that would bring sure disaster to the producers of American petroleum: Be it further

Resolved, That a copy of this preamble and resolutions be furnished to each Congressman and Senator from the State of Oklahoma, to the Congressmen of every State in which petroleum is produced, and to each member of the Committee on Ways and Means and any subcommittee before which discussions relating to revision of the tariff may be heard, and to every association or organization of producers of petroleum, urging active cooperation toward urging and impressing the Congress of the United States with the urgent and imperative necessity of retaining present tariffs and duties on petroleum and its products.

We hereby certify that the foregoing is a correct copy of the preamble and resolutions unanimously adopted by the Midcontinent Oil and Gas Producers' Association at their annual meeting held at Tulsa, Okla., February 27, 1909.

N. V. V. FRANCHOT, *President*.
VICTOR MARTIN, *Secretary*.

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HON. HARRY WOODYARD, M. C., SUBMITS LETTER OF M. L. BENEDUM, PARKERSBURG, W. VA., RELATIVE TO THE COUNTERVAILING DUTY ON PETROLEUM.

WASHINGTON, D. C., *March 2, 1909.*

Hon. SERENO E. PAYNE, M. C.,
House of Representatives.

DEAR SIR: For your information I inclose herewith a copy of a letter and a brief from M. L. Benedum, of Parkersburg, W. Va., urging the retention of the countervailing duty now in vogue on crude and refined oil and their products in the tariff bill to be reported from your committee. Mr. Benedum is one of the large independent oil producers of West Virginia, and he, with a number of other independent producers, have been writing me recently, urging the retention of the above provision in the next tariff bill.

The production of oil is by far the largest industry in my district, and the removal of this duty would be a most serious blow to those men who have their money invested in this business. Contrary to the belief of a large number of people, the Standard Oil Company produces a very small proportion of oil, probably about 18 per cent of the total production, but on account of their transportation facilities they purchase a large portion of the oil produced by the independent operators. From a financial standpoint there is no business that is more hazardous and uncertain than the oil business, as it is impossible for anyone to know what he will strike when he sinks a hole in the ground, and the oil operators feel and believe that they are enjoying as little of the benefits to be derived from a protective tariff as any other industry in this country. In my judgment, Mexico will in a very short time develop one of the greatest, if not the greatest, oil fields in the world, and they also have oil production in Canada, and it appears to me that it would be a grave injustice to our oil producers to take off this duty when Mexico levies a duty both on crude and refined oil, and Canada on refined oil.

This matter was brought to my attention only a short time ago, and for that reason I have made no effort to call the attention of the committee to this matter, as I had no idea that the committee was considering the advisability of removing this duty.

I earnestly hope this proviso may not be stricken from the bill you are now preparing, and I would greatly appreciate it if you would carefully consider the inclosed brief.

Very respectfully,

HARRY C. WOODYARD.

PARKERSBURG, W. VA., *February 27, 1909.*

Hon. H. C. WOODYARD, M. C.,
Washington, D. C.

DEAR SIR: Through the press of the country I learn that some changes in the tariff laws of the country are contemplated—in fact, that a bill is now being formulated that will very materially change existing tariffs and schedules.

The particular one I wish to call your attention to is petroleum. Although there is no tariff on oil, there is a proviso in the Dingley bill that imposes the same tariff on other countries that they charge on exported oil from this country. If that is eliminated, a very serious loss and injury will fall on the oil producers of this country. The matter is so serious that I have had my attorney prepare a brief (which I herewith inclose) showing the bearing and effect of the present law and what any change in the same would result in. I appeal to you because I am producing oil in Roane, Wood, Ritchie, Tyler, and Pleasant

counties in your Congressional district, and in six other counties in West Virginia. Am also producing oil in Ohio, Indiana, Illinois, Oklahoma, and Louisiana. So you can readily understand that I am vitally interested and concerned. I, with an army of oil producers, will appreciate anything you can possibly do to retain the present status of oil legislation. The oil business is in a very precarious condition at the present time from overproduction, so much so that any change would surely result in disaster. I sincerely hope you will give this matter your earnest consideration and support.

Very respectfully, M. L. BENEDUM.

Import duties levied on petroleum by countries producing petroleum.

[Reduced to American currency and American gallons.]

Country.		Crude oil.	Refined oil.
		Cents.	*Cents.*
Austria (Galicia)	Per gallon	4.967	14.86
Roumania	do	1.14	2.84
Burma (India)	do	1.66	1.66
Russia	do	2.816	16.895
Mexico	do	4.86	13.27
Canada	do	(a)	2.063
Java (Dutch Indies)	do	b 5.19	.37
Japan	Per cent	c 20	4.786

a Free. b Ad valorem. c Ad valorem, plus 20 per cent for sundries.

Import duties levied on petroleum by nonproducing countries.

Country.	Crude oil.		Refined oil.	
	Rate.	Per gallon.	Rate.	Per gallon.
		Cents.		*Cents.*
Portugal	46 reis per liter	14.879	46 reis per liter	14.879
France	9 francs per 100 kilos = 5.12 cents, or 7.20 francs per 100 liters, = 71 cents rig. tax.	5.83	10 francs per 100 liters	7.31
Spain	25 peseta per 100 kilos	14.22	37 peseta per 100 kilos	21.05
Italy	24 francs per 100 kilos	13.66	24 francs per 100 kilos	13.66
Shanghai	5 per cent ad valorem	.....	0.05 Haikwan taels per 10 gallons.	.356
Canton	do	.....	5 Candareens per 10 gallons.	.325
Turkey	8 per cent ad valorem	.....	8 per cent ad valorem	.....
Ceylon	.....	.....	25 cents (Ceylon) imperial gallons equivalent to.	6.67
Germany	7½ marks per 100 kilos	5.306	7½ marks per 100 kilos	5.306
Holland	55 Dutch cents per 100 kilos.	.650	55 Dutch cents per 100 kilos.	.650
Argentine Republic	.....	.....	3 cents per liter plus 2 per cent.	11.17
Brazil	.....	.....	Rio de Janerio $2.31 per 100 kilos.	6.81
			At other ports duty is $2.21 per 100 kilos.	6.52

NONPRODUCING COUNTRIES IN WHICH CRUDE OR REFINED OIL ARE ADMITTED FREE OF DUTY.

Crude and refined oil, free.—United Kingdom, Belgium, Hongkong, Australia, Norway, Sweden, Denmark, Straits Settlements, and Gibraltar.

Crude oil, free.—Argentine Republic.

Refined oil, free.—New Zealand.

IMPORT DUTY ON FOREIGN PETROLEUM.

Unlike most of the great producing and manufacturing industries of the United States, petroleum and its products have no specific protection whatever, and should this industry petition for such protection, it would be merely asking

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what is in full accord with the long-established policy of this country as applied to other great national industries.

The situation to-day is, that foreign petroleum and all products thereof are placed on our free list, subject, however, to the following provision. (See Title 33, par. 626 of the Dingley Act):

"*Provided*, That if there is imported into the United States crude petroleum or the products of crude petroleum produced in any country which imposes a duty on petroleum or its products exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said crude petroleum or its products so imported equal to the duty imposed by such country."

The motive of the foregoing proviso is unmistakably clear. It was to deprive the American petroleum industry of the specific protection accorded so many of our domestic industries under the national protective policy then and now in vogue, but it was not the intent to discriminate against it to the extreme limit of permitting Russia and the other great petroleum-producing countries of the world to have free access to the American markets for their products while absolutely shutting out by a high tariff wall access for the American product to their own markets.

It can not be too forcibly emphasized that the option of declaring free trade, or the option of specifying the rate of petroleum duty to prevail between the United States and foreign countries producing petroleum, is by the deliberate act of Congress vested absolutely in the foreign governments.

Should Russia, for example, at any time, because of a plethora of her home production or for any reason or whim whatsoever, desire free trade or a nominal tariff between the two countries, covering petroleum or any of its by-products, she has merely to so declare and such declaration becomes at once operative. No such option can be exercised by the American Government, and the American petroleum industry is, of course, entirely powerless.

It is certainly a high tribute to petroleum economics in the United States that prices of the manufactured products have been kept so low that no foreign petroleum-producing country has yet dared to avail itself of the Dingley option and establish free trade between itself and the United States on petroleum.

Could any fair-minded legislator, be he a protectionist, be he an advocate of reciprocity, or be he an out-and-out free trader, criticise the conditional and hypothetical "protection" accorded the American petroleum industry under the Dingley Act?

It may be remarked that the three great petroleum-producing countries of Europe, viz, Russia, Austria-Hungary (Galicia), and Roumania (all having a large surplus available for export), have from the very outset and up to date imposed a very high import duty on American petroleum, thus entirely debarring it from their domestic markets.

Borneo and Sumatra (Dutch Indies) have decreed light duties as between themselves and the United States, and, although their business is principally export, their nearness to the great consuming markets of the Orient, and their great distance from the United States, have prevented them from making as yet any very important shipments to this country.

The government of India protects the Burma industry to the extent of nearly 2 cents per gallon, thus allowing the Burma Oil Company (a producing monopoly enjoying the guardianship of three governments) to profitably dispose of its entire manufactured product in the great consuming markets of the Indian empire.

The French Government for many years has maintained an important differential duty as between crude and refined petroleum, with the motive and with the result of establishing a large refining industry in France. Spain almost concurrently adopted the same policy, and more recently a similar policy has been adopted by Japan, but in the latter country with the added motive of protecting its own producing industry.

All the great nonproducing countries of the world, except Great Britain and Belgium, impose import duties on petroleum and its products, usually excessive, but for purposes of revenue.

There are probably not less than 500,000 men and 2,500,000 human beings in the United States whose livelihood is traceable to the production, transportation, manufacture, and distribution of petroleum, and many States in the Union are therefore deeply interested in the preservation of this industry.

There are to-day about 85,000,000 barrels of crude oil above the ground, being stored at exorbitant expense and awaiting a market at home or abroad. The Standard Oil Company is energetically utilizing its various foreign avenues

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of distribution to increase, if possible, its exports and thus reduce this enormous surplus.

If the petroleum industry is not to be granted the specific protection accorded so many other industries, is it not at least entitled to be shielded from the possible incursions of Russia, Roumania, Austro-Hungary, Dutch Indies, Burma, Japan, Mexico, Canada, etc., unless these countries concurrently open their markets to the American product?

Ought the injustice of placing petroleum and its products unconditionally on the free list to be inflicted upon the States and the multitudes interested in the home product?

PERSONAL EFFECTS.

[Paragraphs 636 and 697.]

R. F. LANG, NEW YORK CITY, THINKS THAT THE PERSONAL BAGGAGE PROVISIONS OF THE TARIFF LAW NEED AMENDING.

31 AND 33 BROADWAY,
New York, February 20, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I beg to call your attention to the following paragraphs in the present tariff, which, in my opinion as an expert, need revising:

Paragraph 636 provides for personal effects, not merchandise, of citizens of the United States dying in foreign countries. In the past several incidents have come to my attention which made it impossible to import the effects of citizens of the United States free of duty unless they were of American manufacture. One of the incidents was as follows:

A citizen who had resided abroad for some years came to this country on a visit, leaving his household and personal effects in Europe. After he had been in this country for a few weeks he died, and upon the instructions of his relatives the effects were brought to this country, and duty had to be assessed on all the articles of foreign origin which were among the effects. Paragraph 636, no doubt, was intended to cover a case of this kind, but the wording is against it, and should read as follows: "Personal effects, not merchandise, of citizens of the United States," leaving out the words "dying in foreign countries."

Another paragraph which works great hardship to poor immigrants who come to this country, and for one reason or another do not bring their wearing apparel with them is paragraph 697, which is construed by the collector of customs at this port to mean that only wearing apparel which actually accompanies the passenger on his voyage to this country is free of duty, while all and everything in the shape of personal effects arriving on a later steamer are assessed for duty. Congress never intended this. In my opinion, personal effects of parties coming to this country as immigrants or otherwise ought not to be assessed for duty under any circumstances.

I hope the committee will find occasion to revise these paragraphs, and remain,

Yours, very truly,

R. F. LANG,
Customs and Forwarding Agent.

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REGALIA, GEMS, AND STATUARY.

[Paragraph 649.]

WILLIAM L. TIERNEY, NEW YORK CITY, REPRESENTING AMERICAN MAKERS OF CHURCH STATUARY, FILES AMENDED SCHEDULE AND CLASSIFICATION.

27 WILLIAM STREET,
New York, February 24, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I am mailing you herewith a memorandum on that portion of paragraph 649 embraced within the term "regalia," on behalf of the Gorham Company and other manufacturers.

Some time ago I filed with the committee a memorandum on that portion of the paragraph embraced within the term "specimens or casts of sculpture," on behalf of a number of domestic manufacturers of composition statuary. The form of proposed amended law submitted at that time I desire to conform to the proposed amendment contained on pages 1 and 2 of the inclosed memorandum.

In other words, the proposed amended form of paragraph 649, as contained in the inclosed memorandum, meets with the wishes of the composition statuary manufacturers as well as the regalia manufacturers.

Yours, etc., WILLIAM L. TIERNEY.

NEW YORK CITY, *February 23, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are addressing you under paragraph 649, free list, of the act of 1897, on the subject of "regalia" imported free of duty for churches and other institutions of a public character.

In the following parallel columns is contained, first, the present act; and, secondly, the proposed or amended act. We have italicized the proposed added word "not" and otherwise conformed the amended paragraph to the amendments proposed by the Treasury Department and by the association of manufacturers of church statuary, whose changes we approve:

PARAGRAPH 649.

Act of 1897.	*Proposed amendment.*
Regalia and gems, statuary, and specimens or casts of sculpture,	Regalia and gems, statuary, and casts or sculpture,
	for use as models or for art educational purposes only,
where specially imported in good faith for the use and by order of any society incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes,	where specially imported in good faith for the use and by order of any society incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes,

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or for the encouragement of the fine arts, or for the use and by order of any college, academy, school, or seminary of learning	or for the encouragement of the fine arts, or for the use and by order of any college, academy, school, seminary of learning, orphan asylum, or public hospital
in the United States, or any State or public library, and not for sale;	in the United States, or any State or public library, and not for sale; subject to such regulations as the Secretary of the Treasury shall prescribe;
but the term "regalia" as herein used shall be held to embrace only such insignia of rank or office or emblems as may be worn upon the person or borne in the hand during public exercises of the society or institution, and shall not include articles of furniture or fixtures, or of regular wearing apparel, nor personal property of individuals.	but the term "regalia" as herein used shall *not* be held to embrace ——— insignia of rank or office or emblems as may be worn upon the person or borne in the hand during public exercises of the society or institution, and shall not include articles of furniture or fixtures, or of regular wearing apparel, nor personal property of individuals.

Under the designation "regalia" are imported, free of duty, metal vessels, chalices, ciboria, and ostensoria, used in church service; vestments, banners, and a minor assortment of other church articles.

We manufacture a general line of ecclesiastical art metal works, but are chiefly interested in this memorandum in the free entry of chalices, ciboria, and ostensoria, which are costly high-grade and artistic lines of ecclesiastical work, and embrace the most valuable and highest paid part of our production.

Over $1,000,000 of ecclesiastical gold, silver, brass, and other metal art work is manufactured in the United States yearly. The undersigned firms manufacture a large portion thereof, considerably over one-half of the output. We have sought the sentiments of nearly all the other known domestic firms in this line, and can assure the committee that they are in favor of the request herein made.

We know of no tariff provision in any paragraph which permits free import to church furniture, fixtures, or equipment other than such as may be classified as works of art and the exceptions growing out of the peculiar wording of paragraph 649. In this paragraph "church furniture and fixtures" are expressly excepted from free import as "regalia," showing the intent of Congress to levy a uniform duty on articles of church use, the same as any other form of article imported into this country.

As an example of this, it may be noted that stained-glass windows containing religious designs are imported subject to duty. Duty is also paid on manufactured altars, carved marble statues, altar rails, mural decorations, wooden benches, wines, candles, and sanctuary supplies, many candlesticks, altar lamps, vases, organs, church bells, etc. Why should some few articles of church use be allowed free entry while others of substantially the same use pay a duty? Why discriminate against some of the church furniture and equipment in favor of others? It is our theory that Congress never intended to make any such discrimination, but that the discrimination has been the outgrowth of misinterpretation.

The offensive language of the paragraph is the use of the words "regalia * * * worn on the person or borne in the hand;" and

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it is necessary that the article fit into this language in order to obtain free admission.

The effect of excluding church furniture and fixtures from free import in one portion of the sentence and including some of it in another has worked out a hopeless conflict. The Treasury Department, under the rules of liberal construction laid down by the courts, have been forced to admit almost any form of article for church use that can by any stretch of a fertile imagination be construed into something capable of being carried or worn in to or from the church service. The result is an incongruous mass of decisions. The following is a fair example of some of the results obtained:

In July, 1906 (Treasury Decision No. 27475), in one consignment there was imported into the United States as articles of church furniture, under the designation "regalia," the following articles: Missal stand, holy-water stoup, altar lamp, altar cards, candlesticks and candlestick pans. The Board of Appraisers admitted the missal stand and holy-water stoup free of duty, on the theory that they could be borne in the hand, and on the application of the same theory compelled the payment of from 45 to 60 per cent duty on the altar lamp, altar cards, candlesticks, and candlestick pans. All these articles were used in and about the service in the church and were part of the equipment of the sanctuary. Why one paid duty and the other is admitted free is a question no one can intelligently answer. It might be noted, however, that the Board of Appraisers in this case felt constrained to add to their decision that they reached this weird construction under the rules of liberal interpretation laid down for them by the courts.

It has been held by the Treasury Department that a cross and candlesticks used on an altar are admitted subject to a duty of 45 per cent. The same articles in another instance, claimed to be occasionally carried to and from the altar but used for the same purpose, were admitted free of duty.

It has been held that an outer vestment used by a clergyman in a church service, namely, a chasuble, is admitted free of duty, while a cassock, one of the inner vestments, pays a large duty. A banner "carried in the hand" by a church society at a service in New York was refused free entry, while a flag or pennant used by a semi-religious society of Boston was allowed in free of duty.

The decision on the subject of candlesticks used on the altar is quite illuminative of the conditions brought about by the present wording of this act. One candlestick has been admitted free of duty on the theory that it is borne in the hand. A candlestick of like use and used identically for the same purpose has been held to pay a duty of 45 per cent; while a third candlestick intended for the same use and made with bronze, and containing a little more decoration, has been held to be a work of art, and admitted free of duty.

The materials used in the manufacture of chalices, ciboria, and ostensoria, excepting the jewels—namely, gold, silver, brass, etc.—are not subject to duty. The chief hardship in competing with the foreign manufacturers is in the cost of labor. The highest grade of workmen in metal lines are employed—namely, goldsmiths, silversmiths, jewelers, designers, etc. Their wages on this side of the water will range from $18 to $25 a week up to almost any price that the best labor demands. The wages for the same work in England, Belgium, France, Germany, and Austria will average from

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30 to 60 per cent less than the wages paid here. The work is very largely hand work, there being little machinery in use to do the high-grade work. The element of the cost of material is relatively small as compared with the cost of the labor.

The manufacturers on this side of the water are doing as good and, in many instances, much finer work than is done in Europe. A duty of 45 per cent is imposed on this kind of work under paragraph 193, where the same is done for other than church consumption.

Many foreign houses advertise "free import" on each page of their catalogues, and spread these catalogues throughout the country. Many of the foreign houses have agencies in this country. Many of these agencies do business from an office and carry little or no stock in trade, and take their orders from catalogues, which orders are executed abroad. The work of these agencies, along with the work imported by the importing houses having a more permanent residence in this country, is best evidenced by the figures of the customs authorities showing the amount of work admitted free of duty under this paragraph.

We ask the committee to redraft paragraph 649 to conform to the amendment we have proposed, in order that the domestic manufacturers of this line of goods be placed on an even footing with the other domestic manufacturers, who sell to the general trade.

Yours, etc.,

THE GORHAM COMPANY, *New York.*
W. J. FEELEY COMPANY, *Providence.*
A. MESSMER COMPANY, *Cincinnati.*
THE WRIGHT MFG. COMPANY, *Philadelphia.*
F. FUCHS & BROTHERS, *New York.*

GALALITH.

[Section 6.]

ROBERT SOLTAU & CO., NEW YORK CITY, RECOMMEND THAT THIS ARTIFICIAL IVORY BE PUT ON FREE LIST.

NEW YORK, *February 25, 1909.*

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We respectfully beg to call your committee's attention to the material called "galalith," of which we take the liberty to inclose a sample and a card describing its properties.

This material is produced in Germany from skimmed milk under patented process (also patented in the United States), and, not being specially mentioned in the present tariff, is now imported in its raw or unmanufactured state at the rate of duty of 20 per cent, under section 6 of the present tariff as a nonenumerated manufactured article, our contention that it is a nonenumerated unmanufactured article having been denied by the appraiser.

Under the wording of section 6 of the present tariff no distinction is being made between the raw or unmanufactured "galalith" in sheets or rods and the finished articles made from it abroad, such as

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combs, hair ornaments, etc., brought into this country ready for use. Both pay now 20 per cent duty. It is seen, therefore, that no protection is afforded to the American manufacturer who wishes to work the material.

And still "galalith" is a valuable material to him, for it is a ready substitute for such raw material of natural origin as horn, vegetable ivory, etc., all of which come into this country free of duty.

These raw materials of natural origin are frequently screwed up in price through speculative manipulations, and to counteract their effects the American manufacturer should have ready access to the substitute "galalith," which is held at a stable price, free of duty.

We therefore respectfully urge your committee to put "galalith" on the free list.

If this should be found impossible, we respectfully ask not to assess it higher than 10 per cent in its unmanufactured state.

Finished articles made from "galalith" abroad and imported in this country should pay as much as articles made from horn, i. e., 30 per cent.

We therefore respectfully suggest the following paragraphs to be inserted into the new tariff bill:

Galalith, raw or unmanufactured, in sheets or rods, free (or 10 per cent).
Galalith, articles manufactured from same not otherwise provided for, 30 per cent.

Respectfully submitted.

ROBERT SOLTAU & Co.

MARKING OF CUTLERY.

[Section 8.]

HON. THOMAS W. BRADLEY, M. C., FILES A SUPPLEMENTAL LETTER RELATIVE TO ALLEGED EVASION OF PROVISION FOR MARKING IMPORTED GOODS WITH COUNTRY OF ORIGIN.

WASHINGTON, D. C., *March 6, 1909.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Supplemental to my letter of December 19, 1908, inclosing a copy of my communication under same date to Hon. George B. Cortelyou, Secretary of the Treasury, I now have the honor to call attention to a copy of my letter below, under even date, addressed to Hon. James B. Reynolds, Assistant Secretary, etc.

Very respectfully,

THOMAS W. BRADLEY.

WASHINGTON, D. C., *March 6, 1909.*

Hon. JAMES B. REYNOLDS,
Assistant Secretary Treasury Department,
Washington, D. C.

DEAR SIR: I have the honor to acknowledge receipt of your letter of March 2, 1909, relative to the marking, to indicate the country of origin, of certain cutlery, in which you state as follows:

"The collector of customs at New York reports that the assistant appraiser and the examiner informed him that they are not familiar with the term 'wash

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stamped,' and the only kind of marking of imported cutlery that has been examined and passed by them is razors marked by means of so-called 'etching' or with the use of acid, or of pocketknives marked by means of a steel die driven into the tang or bolster."

This statement is so surprising as to lead me to feel that my first communication on this subject was based on information that may not be in all respects reliable. I therefore withdraw completely my letter of December 19, 1908, to the honorable Secretary of the Treasury, and submit in lieu thereof the following statement of fact, supported by exhibits:

The quantity of "wash stamped" pocket cutlery of German manufacture that has reached the United States is so great as to preclude the idea that all of it could have been smuggled. It is evident that most, if not all, of these goods have passed without examination or at least without scrutiny of so close a character as would lead to detection of the "wash stamp" feature complained of as being an evasion of section 8 of the Dingley Act.

"Wash" stamping is when bitten into the steel so shallow as to be easily buffed off without changing the level surface of the blade tang; and also when not driven into the steel at all, but simply appearing on the surface as if stenciled, or stamped by means of a rubber stamp with a material resembling liquid asphaltum, easily removed by means of a cloth saturated with benzine. The intention of section 8, supported by a ruling of the department, is that the country of origin shall be indelibly stamped by means of a steel die driven deep into the tang. In my possession are affidavits made by workmen who have removed, while employed in the United States, all of these three types of the country of origin stamps from foreign-made pocketknives.

I quite understand that all packages are not usually examined; but if more complete examination can be made for a time, with a view of checking all evasion of section 8, it would be well, for this is a practice likely to increase, if not looked after, to a degree that may bring serious injury to American workingmen in this line of manufacture.

Very respectfully, THOMAS W. BRADLEY.

SMELTING IN BOND.

[Section 29.]

THE AMERICAN SMELTING AND REFINING COMPANY, NEW YORK CITY, SUGGESTS AN AMENDED PROVISION FOR SMELTING ORES AND METALS IN BOND.

JANUARY 20, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR SIR: I have the honor to submit herewith, in behalf of the American Smelting and Refining Company, the suggested redraft of section 29 of the present tariff act.

This redraft of the present act merely embodies the present practice of the department with but one change, namely, the authorization to transfer refined lead to a bonded customs warehouse, with the privilege of withdrawing the same on the payment of the duties to which the refined lead would be subject if imported in that condition.

This same provision was embodied in a bill which passed the Senate during the last session of Congress, after the measure had been favorably reported upon by the Secretary of the Treasury.

Very truly, yours,

JAMES L. GERRY.

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EXHIBIT A.

SEC. 29. That the works of manufacturers engaged in smelting or refining, or both, of ores and crude metals may upon the giving of satisfactory bonds be designated as bonded smelting warehouses. Ores or crude metals may be removed from the vessel or other vehicle in which imported, or from bonded warehouse, into a bonded smelting warehouse without payment of duties thereon and there smelted or refined, or both, together with other ores of home or foreign production: *Provided*, That each day 90 per centum of the smelted or refined metal shall be set aside and such metal so set aside shall not be taken from said works except for transfer to another bonded smelter, or for exportation, under the direction of the proper officers having charge thereof, whose certificate shall be received by the collector of customs as sufficient evidence of the exportation of the metal, or it may be removed under the regulations to be prescribed by the Secretary of the Treasury, upon the payment of duties, for domestic consumption.

And provided further, That upon the importation of the ninety per centum hereinbefore provided for the charge against the bond for the payment of duties shall be canceled. *And provided further*, That the smelted or refined metal set aside as aforesaid may be transferred to a bonded manufacturing warehouse established under section 15 of this act, and the bond given under this section canceled, or it may be transferred to a bonded customs warehouse and withdrawn upon the payment of duties chargeable against it as if imported in that condition.

Provided further, That all labor performed and services rendered pursuant to this section and to the regulations thereunder to be prescribed by the Secretary of the Treasury, shall be under the supervision of an officer of the customs, to be appointed by the Secretary at the expense of the manufacturer.

AMERICAN MARKET VALUE.

RALPH MUSER, PRESIDENT OF THE ASSOCIATION OF IMPORTERS OF LACES AND EMBROIDERIES, SUBMITS BRIEF RELATIVE TO DOMESTIC VALUATION.

NEW YORK, *February 20, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In view of the representations that have been made to your committee recommending that the customs administrative act be so amended as to base ad valorem duties on the market value of goods in this country rather than on the market value abroad, as at present, we, as merchants and importers of embroideries and laces, beg to enter our protest against such change. We are, of course, not competent to speak for other lines of imported merchandise, but we have no hesitation in saying that, so far as our business is concerned, a law basing the assessment of duties on the market price in this country would not only be impracticable to enforce, but would be most ruinous in its effect on our business.

The price of laces and embroideries, unlike staple articles, depends altogether upon the desirability and effect of the pattern, so that of two articles costing the same to produce, one may be sold in this country at a good profit, while the other may be sold at a loss. In our line, probably more than in any other, we must figure a loss on some of our patterns, due to error of judgment as to what might please the taste of the feminine public, and this loss must of course be made up on other patterns which strike the taste and which may for that reason command a price far in excess of another article costing double to manufacture. It is apparent, therefore, that no American market value can be fixed on such articles in advance of their

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actual sale here, and duties would necessarily have to be collected on an arbitrary valuation fixed by appraising officers, with no reliable basis whatever upon which to estimate the value. The result would be the utter inability of the importer of laces or embroideries to figure his cost and regulate his business.

The present system of arriving at the dutiable value of St. Gall laces and embroideries, which articles constitute a very large part of our business, was adopted about ten years ago and has operated so well that the question of undervaluation might be said to be entirely eliminated.

The basis of the dutiable value is the cost of production, the elements of which are well known. The cost of manufacture is largely dependent upon the number of stitches in the pattern. The desirability, which, as before stated, is the greatest factor in the selling price here, cuts no figure in the cost of manufacture abroad. The Treasury Department has stationed in St. Gall an expert whose sole function is to ascertain the prevailing labor cost per hundred stitches on each shipping day. This rate is posted in the office of the United States consul, together with the market prices of the other elements of cost, and all goods are invoiced in accordance with these rates, with percentage additions for expenses and profit which are constant and were fixed by a decision of the Board of General Appraisers. It will be noted that this system of arriving at the basis for duties is the same system by which all manufacturers arrive at their cost and on which they base their selling price. Under this system all St. Gall laces and embroideries costing the same to manufacture pay the same amount of duty; every importer knows just where he stands and can regulate his business accordingly.

This is a simple and efficacious method, fair to both the Government and to the importers, and could such a system be devised for other lines of goods it would no doubt solve the problem of market value. The suggested change would not only throw our entire business into most disastrous confusion, but would undoubtedly result in a great reduction in importations and a consequent diminution of revenue to the Government.

Respectfully,

ASSOCIATION OF IMPORTERS OF LACES AND EMBROIDERIES,
RALPH MUSER, *President.*

CONSULAR MUSEUMS.

W. L. DESNOYERS, OF SPRINGFIELD, ILL., RECOMMENDS THE ESTABLISHMENT OF CONSULAR MUSEUMS.

SPRINGFIELD, ILL., *January 18, 1909.*

Hon. HARRY M. COUDREY, M. C.,
Washington, D. C.

DEAR SIR: It seems to me that the United States Government could do a good deal for its manufacturers by establishing one or several consular museums. I mean by that for the American consul at any point to send to the properly organized representatives of the

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country samples of articles manufactured for use in his territory by our competitors in Great Britain, France, Germany, etc.

The different consuls should be authorized and empowered to purchase these articles and should send along with them a report as to what prices are paid for them, in what country they are used, how they are packed for shipment, etc.

If these articles were exhibited in, say, New York, St. Louis, and San Francisco, it would give American manufacturers who desire to enter into the foreign field a chance to ascertain what articles are being consumed and what they cost, etc.

The item of packing is a very important one. I will illustrate what I mean by that:

In the good old days, when you and I called St. Louis our home. I used to go down to Cuba and sell a good many shoes. I found that there was an inspector's charge at Habana of $1 a case for shoes. In this country we packed shoes in 12-pair cases, which would mean that the dealer at Habana would have to pay 8⅓ cents per pair for inspection. After my first trip to Habana I arranged to have especially large cases made. These cases contained 300 pairs each, which reduced the inspection cost to one-third cent per pair. This will give you an idea of how important the packing branch of manufacturing is.

I am making you this suggestion because I believe that it would be one of the best things that has ever been done by the Government for manufacturers in this country, and I do not know of anybody better fitted to father this scheme than yourself.

With kindest regards, I remain,

Yours, truly,

W. L. DESNOYERS,
Of Desnoyers Shoe Company.

CUSTOMS ADMINISTRATIVE ACT.

RALPH MUSER, PRESIDENT OF THE ASSOCIATION OF IMPORTERS OF LACES AND EMBROIDERIES, OPPOSES ASSESSMENT OF AD VALOREM DUTIES ON DOMESTIC VALUES.

24 STATE STREET,
New York City, February 20, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In view of the representations that have been made to your committee recommending that the customs administrative act be so amended as to base ad valorem duties on the market value of goods in this country rather than on the market value abroad, as at present, we as merchants and importers of embroideries and laces beg to enter our protest against such change. We are of course not competent to speak for other lines of imported merchandise, but we have no hesitation in saying that so far as our business is concerned, a law basing the assessment of duties on the market price in this country would not only be impracticable to enforce, but would be most ruinous in its effect on our business.

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The price of laces and embroideries, unlike staple articles, depends altogether upon the desirability and effect of the pattern, so that of two articles costing the same to produce, one may be sold in this country at a good profit, while the other may be sold at a loss. In our line probably more than in any other we must figure a loss on some of our patterns, due to error of judgment as to what might please the taste of the feminine public, and this loss must, of course, be made up on other patterns which strike the taste and which may for that reason command a price far in excess of another article costing double to manufacture. It is apparent, therefore, that no American market value can be fixed on such articles in advance of their actual sale here, and duties would necessarily have to be collected on an arbitrary valuation fixed by appraising officers with no reliable basis whatever upon which to estimate the value. The result would be the utter inability of the importer of laces or embroideries to figure his cost and regulate his business.

The present system of arriving at the dutiable value of St. Gall laces and embroideries, which articles constitute a very large part of our business, was adopted about ten years ago and has operated so well that the question of undervaluation might be said to be entirely eliminated.

The basis of the dutiable value is the cost of production, the elements of which are well known. The cost to manufacture is largely dependent upon the number of stitches in the pattern. The desirability, which, as before stated, is the greatest factor in the selling price here, cuts no figure in the cost of manufacture abroad. The Treasury Department has stationed in St. Gall an expert whose sole function is to ascertain the prevailing labor cost per hundred stitches on each shipping day. This rate is posted in the office of the United States consul, together with the market prices of the other elements of cost, and all goods are invoiced in accordance with these rates, with percentage additions for expenses and profit, which are constant and were fixed by a decision of the Board of General Appraisers. It will be noted that this system of arriving at the basis for duties is the same system by which all manufacturers arrive at their cost and on which they base their selling price. Under this system all St. Gall laces and embroideries costing the same to manufacture pay the same amount of duty; every importer knows just where he stands and can regulate his business accordingly.

This is a simple and efficacious method, fair to both the Government and to the importers; and could such a system be devised for other lines of goods, it would no doubt solve the problem of market value. The suggested change would not only throw our entire business into most disastrous confusion, but would undoubtedly result in a great reduction in importations and a consequent diminution of revenue to the Government.

Respectfully,

ASSOCIATION OF IMPORTERS OF LACES AND EMBROIDERIES,
RALPH MUSER, *President.*

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T. S. TODD & CO., NEW YORK CITY, SUGGEST AN AMENDMENT TO THE CUSTOMS ADMINISTRATIVE ACT RELATIVE TO THE FIXING OF INVOICE VALUES.

42 BROADWAY,
New York, March 2, 1909.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: It frequently happens that on the importation of merchandise paying an ad valorem duty the local appraiser makes an addition to value on what he considers to be good information, which addition, of course, if sustained, requires the importer to pay not only the regular additional duty, but a further duty of 1 per cent on the total amount of the advanced items for each 1 per cent advanced.

It not infrequently develops that the advance made by the appraiser is not sustained by the Board of General Appraisers, but the importer, although he may honestly believe that his value is correct, is obliged, in order to obviate the payment of the extra 1 per cent to add to make the market value indicated by the appraiser, pending the decision of the Board of General Appraisers; and if his originally entered value is sustained the additional duty paid by him on his addition is retained by the Government, which practice does not seem to us to be equitable, and we believe that the interests of the revenue would not be jeopardized by authorizing a refund of the additional duty paid under duress in cases where the originally declared value is sustained, and we beg to inquire if provision could not be made looking to this result.

We beg to suggest something in line with the following:

In cases where the importer adds to his invoice to make the market value claimed by the appraiser, which addition is made necessary in order to secure the passing of the invoice and release of the merchandise without the payment of penalty which would accrue on the appraiser's advance, there shall, on evidence being submitted either to the appraiser or Board of General Appraisers which substantiates to his or their satisfaction the value originally declared to be the true market value, on written protest lodged with the collector, be refunded to the importer on final liquidation the excess amount of duty deposited by reason of such addition.

Yours, respectfully, T. S. TODD & CO.

THE WILSON NEEDLE COMPANY, NEW YORK CITY, OPPOSES THE ASSESSING OF AD VALOREM DUTIES ON THE HOME MARKET VALUES OF IMPORTED GOODS.

407 AND 409 BROADWAY,
New York, March 3, 1909.

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: According to the press the tariff bill which is about to be submitted will change the appraised value of imported goods from the market prices abroad to the market prices in the United States.

Just how this will affect other lines we are not prepared to say, but we do know how it will affect our line, namely, needles.

We are needle importers and have been so engaged for over twenty years, and at this writing have large contracts out for shipments covering this year.

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Sewing-machine needles are made and sold by manufacturers in Germany for from $4 per 1,000 needles to $4.50 per 1,000 needles. It is fair to assume that the manufacturers make a profit and that the actual cost of production in Germany is between $3 per 1,000 needles and $4 per 1,000 needles.

For our goods we now pay $4.40 per 1,000 needles, to which 50 per cent duty is added, and they cost us $6.60 per 1,000 needles here, approximately.

These needles we sell at from $7.50 per 1,000 needles to $9 per 1,000 needles, according to the quantity taken.

The Needle trust here makes and controls all the needles that are sold in a general way through dealers and gets now, as a rule, from $8 per 1,000 needles to $10 per 1,000 needles.

Should the market value in the United States be taken as a basis of appraisement it would have to be the market value made by the trust here, for the reason that they are not made by anyone else and no one else could fix the value.

A few of the sewing machine companies make needles for their own personal use or to be used in their own machines, but none of them pretend to be in the "needle" business or to compete for needle trade, as they are in sewing machine business.

Say the market value was set by the trust at $10 per 1,000 needles and the duty lowered to 40 per cent, it would then make $4 duty on every 1,000 needles for which we pay $4.40 in Germany, and it would put us out of business.

If the object was to hand over to the needle trust here the entire needle business of the United States and place the public at their mercy, then that would be the way to do it.

A raise on the present duty from 50 per cent to, say, 60 per cent or even 70 per cent would still allow some room for foreign competition, but to appraise on values which can only be fixed by the needle trust here would mean ruin to every importer and a serious matter to thousands of dealers for which the public must ultimately pay dearly.

If such action is anticipated, then will you kindly advise us to that effect, so that we may call the attention of the thousands of dealers and thereby give them an opportunity to file their protest.

Yours, truly,

WILSON NEEDLE CO.,
DAVID E. WRIGHT, *Owner.*

DUAL TARIFF SYSTEM.

N. I. STONE, DEPARTMENT OF COMMERCE AND LABOR, SUBMITS SUGGESTIONS RELATIVE TO THE APPLICATION OF MAXIMUM AND MINIMUM TARIFFS.

WASHINGTON, D. C., *February 27, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The coming tariff revision, which is at present claiming the undivided attention of the Ways and Means Committee and is awaited by the business world with some degree of anxiety, has been undertaken with the object not only to adjust our rates of duty,

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but to bring our tariff policy in line with that of the principal foreign nations. Hence the demand for a dual tariff. Hence also the definite commitment of the national platform of the Republican party, of the Speaker of the House of Representatives, and of the chairman of the Ways and Means Committee to a maximum and minimum tariff.

While the country seems to have made up its mind on the subject of a dual tariff, there does not seem to be as much clearness as to the kind of a dual tariff we are to have. European experience in this regard becomes a legitimate object of interest to us, since it is principally those nations that we will have to deal with in our new tariff policy. Shall we have a conventional tariff system fashioned after the German pattern, or shall we follow the French system of a general and minimum tariff (for some reason misnamed maximum and minimum in this country)?

In the former case Congress would have but one tariff to enact, leaving to the Executive the negotiation of reciprocity treaties by which the rates enacted by Congress would be reduced in return for reciprocal concessions by foreign countries—a procedure not unknown in American tariff history. In the latter—i. e., in case we adopt the maximum plan—Congress would adopt two sets of rates, leaving to the Executive the application of the minimum rates to those foreign countries which in his opinion offer sufficient reciprocal concessions, but leaving no discretion to the Executive as to what our minimum rates shall be.

Each system has its own advantages and its success depends on conditions, economic and political, prevailing in the country adopting it.

Of the two types of dual tariffs worked out by Europe, the conventional counts among its adherents Germany, Austria-Hungary, Russia, Italy, Switzerland, Belgium, Roumania, Servia, Bulgaria, and last but not least Japan. The maximum and minimum is to-day in operation in France, Spain, Greece, and Norway, the latter applying the system in a modified form which will be described later.

It will thus be seen that the conventional system has a larger number of adherents among the nations of the world than the maximum and minimum. Moreover, the latter is losing ground both as regards the countries in which it is applied and as to the manner of its application. Russia, after finding herself embroiled in a tariff war owing to the rigidity of the maximum and minimum tariff, has abandoned it for the conventional system. Neither France nor Spain have been able to escape tariff wars for the same reason, and France, like Russia, was compelled to reduce her minimum tariff below the rates laid down by parliament in order to put an end to those wars. Greece has managed to steer clear of hostilities by profiting by the example of the nations just mentioned and conceding reductions of rates below those authorized in her minimum tariff. In other words, the fundamental principle underlying the maximum and minimum system, that of the autonomous determination of the minimum rates by the legislative body (independently of the reciprocity nation), had to be abandoned in most cases by the nations which have adopted it. Norway alone has furnished a conspicuous exception among the latter, her success being due to two causes: First, the fact that her minimum

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tariff is so low that no foreign nation could possibly find fault with it. Second, that Norway, unlike France and Spain, does not negotiate any tariff treaties and does not ask for any special concessions from other nations other than that her goods be admitted at the lowest rates applicable to other countries. In return she uniformly applies her minimum tariff to all, reserving the maximum for countries which might descriminate against her. The case of Norway has a particular interest for us, as will appear when we come to discuss our most favored nation policy.

So much for the working of the so-called maximum and minimum tariff. Now, let us consider the conventional. The legislative adopts a single tariff and authorizes the executive to negotiate treaties with foreign nations, by which reductions from the rates adopted by parliament are granted in return for reciprocal concessions by foreign countries. As each nation naturally tries to secure concessions on the products in which it is particularly interested, and as not all of them are equally aggressive or successful in obtaining concessions, the minimum or conventional rates granted by one country to various nations are found to differ so much that were each set of duties to be applied to the products of the respective nations the country would have as many tariffs as there were treaties negotiated by it. Such complexity and confusion is prevented by the application of the most favored nation principle, interpreted in the broad, liberal spirit evolved by European practice, and on which I shall have a word to say later on.

The conclusion of a number of reciprocal treaties or conventions results, therefore, in the formation of a single conventional tariff consisting of the lowest rates granted in any of those treaties and applied uniformly to all foreign countries entitled to favored-nation treatment.

Time limitation will preclude detailed consideration of the merits of each system, which can only be summed up briefly.

Granting that the object of a dual tariff is to secure for the domestic products as high protective rates as possible within the limits laid down by the legislature while forcing the tariff gates of the nation you negotiate with as far ajar as you can, the conventional tariff system has certain advantages which are responsible for its growing popularity among the principal nations of the world. With no minimum rates fixed in advance, there is more room for bargaining on either side and for coming to a mutually satisfactory agreement by a series of give-and-take steps. At the same time each side feels it has a strategic advantage in not being obliged to disclose all of its cards at the outset. But whatever weight one may attach to considerations of elasticity and strategy, which are more apparent to the diplomat that the people at large, there is a very important economic consideration which so largely accounts for the popularity of the conventional system, and that is the stability it insures the business world. Nearly all of the German treaties have been concluded for a period of twelve years. This means that during that period the German business man is absolutely certain that he is safe from unpleasant surprises in the way of sudden tariff changes affecting his raw materials or finished products at home or in the countries with which reciprocity treaties have been concluded. Under those conditions there is a greater dis-

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position to make large investments in plants which can yield profitable returns only over a long series of years.

Under the French system, which jealously guards the principle of autonomy in determining minimum rates and of freedom to change them at will with a view solely to national needs, the minimum rates are not as a rule fixed in the treaties beyond the possibility of change, the only guarantee given to the contracting countries being that they are to have the benefit of the minimum rates, whatever they may be. Since the enactment of the French general and minimum tariff of 1892, which is still in force, there have been less than 348 modifications of tariff rates.[a] During the corresponding period there were practically no changes in the German tariff, aside, of course, from the general tariff revision which took place in 1906. The French attach more value to their freedom to change rates at will; the German and most of the other European nations seem to be willing to forego this right for the stability in business conditions which the binding of rates by treaty secures to them. They also bear in mind that reserving the right to alter rates implies like privileges for other nations, which, if exercised by all, would render nugatory all reciprocity treaties and defeat the very object for which they are concluded.

But in considering the adaptability of the system to the United States we must not lose sight of the marked constitutional differences which affect legislation here and in European countries. In Europe the executive branch of the government participates to a large extent in the work of legislation. In Germany, where conventional tariff making has been worked out to a greater degree of perfection than elsewhere, there is a kind of a business parliament, or semi-official body composed of the representatives of the leading industrial, commercial, and agricultural bodies recognized by the Government, and shaping the tariff from its incipient stages until it reaches parliament in the shape of a perfected bill, where it is introduced by the Government itself. The rates are purposely fixed higher than is thought either necessary or desirable from the protectionist standpoint, with the view of being bargained off for reciprocal concessions from foreign countries. The cabinet ministers being at the same time the most influential members of parliament, the legislative branch in European countries has a more live appreciation of the executive service, with the result that the departments have at their disposal the services of well-trained experts, practically all university graduates, men of a type that are not attracted to the same extent to departmental work in Washington. After the bill has been enacted, a commission is appointed for the negotiation of reciprocity treaties, composed of the government experts, some chosen for their special knowledge of the conditions of the country with which a reciprocal treaty is to be negotiated, others for their mastery of the legal questions involved, still others for their expert knowledge of the tariffs of either country, etc. To cite an instance: In the negotiations for the commercial agreement now in force between Germany and the United States the former was represented by 10 experts from the following government departments: The commercial, po-

[a] Politique Douaniere et Prosperitie Industrial, par German Paturel, in the fortnightly L'Expansion Commerciale Nov. 16, 1908, p. 675.

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litical, and consular divisions of the foreign office; the imperial treasury department; the department of commerce in the ministry of the interior; the Prussian ministries of finance, of commerce, and of agriculture. (On our side there were just three picked up, of whom only two were engaged in work which specially qualified them for this service.)

Before taking up negotiations with the representatives of a foreign power the commission of government experts meets the semi-official commission of business men which was mentioned before, from which it learns the views and wishes of the business community, and receives its final instructions from the Government which, it must not be forgotten, consists of the leading members of the dominant party or parties in parliament. The result of such a combination is that the Government has no difficulty in getting the treaty negotiated on these lines ratified by parliament.

In the United States this elaborate machinery is not only absent, but for constitutional and other reasons could not be built up. Furthermore, tariff revision in the United States is usually the result of public agitation, which can be satisfied only in one way, namely, by the enactment of rates thought just or wise. If Congress were to adopt a single tariff on the German plan, it would have the alternative of enacting rates avowedly higher than those thought necessary by the people, and thus violating its ante-election pledges or fixing the rates at a point from which no concessions could be made by the Executive in reciprocal treaties with any chance of their being ratified by Congress. After the treaties reached Congress there would be a natural disposition to view with a jealous eye the many changes by executive action in the rates once adopted.

Added to these difficulties would be those of a purely constitutional character. In Europe a simple majority of votes in parliament in favor of a treaty is sufficient to ratify it. In the United States a reciprocity treaty would require in the first instance action by both branches of Congress, since only the House is vested with authority to initiate legislation affecting revenue, and in the second place would require a majority of not less than two-thirds of the votes in the Senate to be ratified. Under these conditions it would be quite easy for a determined minority to defeat a reciprocity treaty. What these difficulties mean is attested by past experience. In the entire history of the German Empire, during which numerous commercial treaties have been negotiated, there is not one case on record of a rejected treaty. In the United States not a single treaty was ratified by the Congress which authorized their negotiation under section 4 of the Dingley Act, and other reciprocity treaties negotiated have likewise failed of ratification.

Past experience and considerations of expediency seem to point, therefore, to the maximum and minimum tariff as a more practical and safer policy for this country to follow. With both the maximum and minimum rates adopted by Congress in the first instance, there would be no necessity of submitting the treaties to the House. In the Senate, too, less opposition would be likely to assert itself for the same reason. Moreover, if the precedent established in section 3 of the McKinley and Dingley acts were to be followed in shaping our new tariff policy, it would be possible to do away with the ratification of reciprocal agreements by the Senate without the

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surrender on the part of Congress of its prerogative of fixing tariff rates. With the exception of Cuba, practically all the tariff benefits which the United States enjoys to-day in foreign countries are due to the reciprocal agreements concluded by the Executive without ratification by the Senate, by virtue of the authority vested in him by section 3 of the tariff act, and on the basis of reductions of duty on the extremely limited number of articles, comprising wines, liquors, paintings, and statuary. Here again past experience points the way to still greater achievements when Congress will substitute a large list of minimum rates for the few sanctioned so far.

No consideration of the dual-tariff system can be complete without a reference at least to the most-favored-nation principle. As has been pointed out, the most-favored-nation clause, as interpreted and applied by European nations, forms part and parcel of their conventional tariff system. Briefly stated, it implies the immediate, unconditional, and gratuitous extension to all countries entitled to most-favored-nation treatment of every reduction in rates of duty granted by one country to another, whether by treaty, legislative enactment, or in any other manner. To-day the United States stands out as a conspicuous exception among the great nations of the world in the interpretation of one of the most important principles of international law. With but few exceptions, the Government of the United States has clung to the original and unique construction of the most-favored-nation clause in our treaties with foreign countries, under which concessions granted to one nation in return for reciprocal advantages are not extended to most favored nations except for similar returns. The application of this principle in connection with the adoption of a comprehensive system of reciprocity such as has never been attempted in the history of this country would bring in its train many consequences, among which two claim our attention.

In the first place it would make our tariff system so complex that instead of a dual tariff we might have a multiple tariff consisting of as many sets of duties as there were treaties in force. If Nation A obtained a reduction of duty of, say, 10 per cent upon silk goods, and Nation B in a treaty subsequently negotiated managed by means of concessions more valuable to us to secure a reduction of 20 per cent of the same duty, we would in the first place have three tariffs on silk; the general tariff adopted by Congress, the tariff applicable to Nation A, and that applicable to Nation B. With the same principle applied to our treaties with all other nations and all the other products which might be covered by the treaties, there would be a sufficient assortment of rates to please the taste of the most fastidious lover of variety.

The second consequence to be considered is that no foreign nation would care to negotiate a treaty whose advantages might be made nugatory or worse by greater advantages subsequently to a rival nation. The only way in which it could secure additional concessions under our construction of the most favored nation would be by negotiating a supplemental treaty based on new concessions, which it might not be able to grant after it had exhausted the list of concessions in the first treaty. The system would be fraught with possibilities of constant surprises and resultant disturbances, unsettling business conditions throughout the world. The only way out of that

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impossible situation under the conventional tariff system would lie in the adoption of the European interpretation of the most-favored-nation clause.

As a matter of fact, we were obliged to make that departure in the first experience we had with the dual tariff. The unratified treaty between the United States and France negotiated by Mr. Kasson in 1899 on the basis of section 4 of the Dingley Act, which provided for minimum rates not to exceed 20 per cent reduction from the regular duties, stipulated that should the United States grant reductions of duty to another country below those granted to France on the article covered by that treaty, such lower rates were to be "applied of right and without delay to the like articles" of France. The same reservation was made with regard to sparkling wines and woolen goods, neither of which were given special rates under the treaty.[a]

The provision of Article III just cited points the invisible way the United States will have to enter upon should the dual tariff with the concomitant system of reciprocal treaties become the settled policy of the country. The principle, if uniformly adopted in all of our reciprocity treaties, will have the advantage of removing the one serious obstacle to reciprocity treaties with the United States from the European point of view, without exposing the interests of this country to the disadvantages of the broad European interpretation of the most-favored-nation principle with regard to countries with which we have no reciprocity treaties.

There is another way of making the minimum rates uniform to all reciprocating, which would require the least departure from our most-favored-nation policy. It is the policy of Norway alluded to earlier in this paper, and it seems to find favor in congressional circles. Instead of making the maximum tariff the basic or general tariff from which reductions would be traded off for reciprocal concessions, the congressional idea is to make the minimum tariff generally applicable to all nations granting their minimum rates to us, and keeping the maximum tariff in reserve as a retaliatory measure for countries which make any tariff discrimination against American products. This system has all the advantages of simplicity, as it would reduce negotiations with foreign nations to a minimum and would do away with the necessity of formal treaties and the reopening of the discussion of the troublesome and vexing most-favored-nation problem.

However, there are two serious objections to it. The first and important objection is from the point of view of American interests. The automatic application of the minimum rates to countries likewise applying their minimum rates to the United States, while effectively protecting American products against discrimination, would preclude the possibility of negotiation for special concessions on American products. Yet, with the skillful art of tariff making, several European nations have contrived to hit distinctly American products with high rates of duty for the very purpose of forcing concessions from this country. As no other nation but ourselves is interested in those products, there are no minimum or conventional rates in force to cover them, and none can be secured except by negotiation of reciprocity treaties looking to that end.

[a] Article III of the convention between the United States and France. Senate Doc. No. 22, 56th Cong., 1st sess., Dec. 6, 1899.

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The second objection is from the foreign point of view, but is just as vital, since it takes two parties to make a dual tariff work successfully. It lies in the danger of our minimum rates being fixed too high to be considered as a reciprocal return by foreign nations for their own minimum tariff. In the Norwegian tariff this has not been the case, but rates being very low. Failure on the part of any of the great nations to accept our minimum tariff in return for theirs would, under the system proposed, leave no alternative to the Executive but the application of the maximum tariff, with consequent tariff reprisals on either side, such as we have seen in the case of France and Spain.

The choice seems to be, therefore, in favor of a maximum and minimum tariff on the lines laid down in section 3 of the Dingley Act, but with the minimum rates to cover the greater part of the tariff instead of the few articles of wines, spirits, and paintings to which that section now applies. This section gives the Executive the power to negotiate reciprocity treaties on the basis of the minimum rates authorized by Congress without requiring the submission of the treaties to the Senate for ratification. The system combines the advantage of securing to the legislative branch complete control over the tariff rates, both maximum and minimum, insuring flexibility in leaving to the discretion of the Executive the determination of what is an equivalent concession on the other side and inspiring confidence in the foreign nations that the treaty once negotiated will be actually put into force. Finally, it has the advantage of having stood the test of practical experience, since, in spite of its circumscribed scope, it has been the instrument for securing to the United States the enjoyment of minimum rates in most of the countries of Europe.

Respectfully submitted.

N. I. STONE,
Tariff Expert, Department of Commerce and Labor.

FRENCH TARIFF.

HON. PAUL HOWLAND, M. C., SUBMITS LETTER FROM CLEVELAND (OHIO) TWIST DRILL COMPANY RELATIVE TO PROPOSED FRENCH TARIFF AND MACHINE TOOLS.

CLEVELAND, OHIO, *February 16, 1909.*

Hon. PAUL HOWLAND, M. C.,
Washington, D. C.

DEAR SIR: We have exchanged several letters with our French agent, Fenwick Freres & Co., on the subject of the new French tariff, and I inclose copy of letter from them dated January 30. This tariff is of serious and vital interest to us, for France has been our largest foreign customer for many years.

A number of manufacturers, including ourselves, attempted to have a hearing last fall before the Committee on Ways and Means, but failed because of the early adjournment. Is it necessary for the administration to wait for recommendations of this committee before

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the State Department can safeguard the interests of American manufacturers in dealing with the new French tariff? If this proposed tariff is carried into effect, as outlined by our agents, it will shut out, not only our products, but machines and tools made by many Americans. This will be a calamity to a large number of American manufacturers, and a serious loss to my company, as well as other Cleveland manufacturers who have extensive trade with France.

The English and German Governments are protecting the interests of their citizens, and why can't our Government do the same? I ask your interest and support in behalf of American manufacturers in dealing with the French Government through the State Department, and urge the importance of the matter and that it receive immediate attention.

A duplicate of this letter will be sent to the Hon. Theodore E. Burton and Hon. Charles Dick.

Yours, truly, CLEVELAND TWIST DRILL CO.

8 RUE DE ROCROY,
Paris, January 30, 1909.

THE CLEVELAND TWIST DRILL CO.,
Cleveland, Ohio, U. S. A.

DEAR SIRS: The new French tariff, referred to in our previous correspondence, will be presented for discussion before the French Chamber some time next month, and the question is attracting a great deal of attention among French importers and dealers of machinery and tools.

It is obvious, however, that the American importation will be the one to suffer the most, because while Belgium, England, and Germany and the other nations importing tools in France will be favored by the minimum tariff, the United States will be the only one whose manufacturers will pay the maximum tariff. The difference between the minimum and the maximum tariff will be still greater in the new than before, and in some instances when American tools were paying only 2½ per cent more than the German tools, ad valorem, they will now pay from 10 to 15 per cent more; but in the case of small tools, such as drills, taps, dies, etc., the conditions will be still worse, as it is proposed in the new tariff to have the duty charged ad valorem, while the other duties all through the tariff are, as before, charged by weight. Then the minimum tariff will be 10 per cent and the maximum 15 per cent; in other words, the tools that we buy from you will have to pay 50 per cent more duty than the same tools bought by our competitors in Germany when they are of the same price; but as your tools are already much higher in price than the same tools made in Germany, you will appreciate that the difference in the selling price of your tools and the competitive German make will have to be still greater as soon as the new tariff will be accepted.

It seems to us that the matter should receive immediate and careful attention, not only on your part but also on the part of all the manufacturers of small tools in your country, so that you could try to convince the representatives of your country to make all possible efforts to avoid such measures and such exceptions against the introduction of American tools in this country.

The German and the English manufacturers are making strenuous efforts to protect their interests, as much as possible, in the new tariff. They have sent and organized permanent commissions in Paris, who are leaving no stone unturned to succeed.

We are taking this occasion to send you inclosed the letter of October 8, 1908, that we received from Otto Mansfield & Co., Magdeburg, Germany, and we are sending you under another cover the price list that we received from them at the same time. This may give you some useful information in comparing German prices and American prices in your line.

Yours, truly, FENWICK FRERES & CO.

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THE DAISY MANUFACTURING COMPANY, PLYMOUTH, MICH., IS GREATLY CONCERNED ABOUT PROPOSED FRENCH CLASSIFICATION OF TOY AIR GUNS.

PLYMOUTH, MICH., *February 20, 1909.*

Hon. SERENO PAYNE, M. C.,
Washington, D. C.

DEAR SIR: We desire to enter a protest before your committee against the proposed action of the French customs authorities to change the present classification of toy air guns from "toys" to "arms" and make them pay a duty of 600 francs per 100 kilograms as against 75 francs per 100 kilograms as at present. The present duty on toy air guns run about 35 per cent of their value, and the proposed new tariff would make the duty nearly 300 per cent of their value and render their exportation into France entirely impossible.

We have spent a considerable amount of money introducing our toy guns into France and have succeeded in building up a fair business, and would dislike to have this business taken away from us at this time by what we consider the unfair action on the part of the French customs officials. The present patent laws in France compel the American manufacturer to work their patents in their country; otherwise the patent affords them no protection. The volume of business we do in that country being coupled with the fact that our goods are sold on a very close margin makes it impractical for us to manufacture there, and in consequence one party in France has copied our goods, and we presume that it is at his solicitation that the French customs officials propose to change the classification and thus bar our goods from that country.

It would seem as though some provision might be put in our tariff looking to reciprocity along these lines, and we will certainly appreciate any action your committee may take toward this end.

Very respectfully,

DAISY MANUFACTURING COMPANY,
E. C. HOUGH, *Secretary and Treasurer.*

HON. J. J. GARDNER, M. C., SUBMITS LETTER OF THE NEIDICH PROCESS COMPANY, BURLINGTON, N. J., RELATIVE TO THE FRENCH TARIFF AND TYPEWRITERS.

WASHINGTON, D. C., *March 1, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

DEAR SIR: I have to-day received a letter as follows:

BURLINGTON, N. J., *February 27, 1909.*

Hon. JOHN J. GARDNER, M. C.,
Washington, D. C.

DEAR SIR: It has been brought to our attention that the French Government has appointed a special commission, having in view a new tax on typewriters of American manufacture amounting to 75 francs each. The proposed duty would be extremely harmful to the American typewriter industry, in which we are

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interested, and if any steps could be properly taken by our Government having in view the maintenance of the present tariff it will be exceedingly valuable to this important industry.

We would greatly appreciate your kind attention to this matter, and trust that you may be able to influence some action tending to defeat this purpose.

Yours, very truly,

NEIDICH PROCESS COMPANY,
SAMUEL A. NEIDICH, *President.*

The original of the above letter I have forwarded to the Department of State with a communication.

Very truly, J. J. GARDNER.

THE HART MANUFACTURING COMPANY, CLEVELAND, OHIO, INVITES ATTENTION TO PROPOSED INCREASE IN FRENCH TARIFF ON MACHINE TOOLS.

CLEVELAND, OHIO, *March 4, 1909.*

Hon. SERENO E. PAYNE,
Washington, D. C.

DEAR SIR: We are manufacturers, as our letter heading indicates, of a line of mechanics' tools, which have for a number of years been exported in quite large and increasing quantities to France. A few days ago we received a letter from our agent in Paris telling us of the new customs tariff being considered by the French Government. This on such goods as ours would be 15 per cent of their value, as against the present duty of 27 francs on every hundred pounds, which by actual figuring for comparison only amounts to from 1.1 per cent to 5.4 per cent of the value.

Such an increase will make it very difficult to compete with the French manufacturers, but what is even more serious is the disadvantage we shall be at, according to the proposed tariff, in meeting the competition of manufacturers of some other European countries—of Germany and England, for instance, who present difficult competition on even terms, but whose goods would enter France at a rate one-third less than that charged on ours, because of the application of the minimum tariff to which these favored nations having commercial treaties with France would be entitled.

We can assure you that such a situation would, in all probability, prove fatal to the exporting of our goods to France, as we have no doubt it would with many other American products.

We urge you to use your influence for providing means for the State Department to treat with the French nation in such a way as to at least keep the manufacturers of this country on an equal footing with those of European countries.

Yours, truly,

THE HART MFG. CO.,
LOUIS F. HART,
Vice-President and Secretary.

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HON. WILLIAM H. DRAPER, M. C., SUBMITS LETTER OF THE WALTER A. WOOD MOWING AND REAPING MACHINE COMPANY RELATIVE TO THE FRENCH TARIFF.

HOOSICK FALLS, N. Y., *March 4, 1909.*

Hon. WILLIAM H. DRAPER, M. C.,
Washington, D. C.

DEAR SIR: Reminding you of our recent conversation in Washington upon the subject of French tariff discrimination against American manufacturers of harvesting machinery, I beg to submit the following brief memorandum upon the subject:

The present French tariff upon harvesting machinery is 15 francs maximum and 9 francs minimum per 100 kilos on all weights.

Under this tariff American manufacturers in every case pay the maximum, while English manufacturers at least, if not German also, have the benefit of the minimum rate. The resultant advantage to some of our competitors under the present tariff averages about $2 on a horserake, $3 on a hay tedder, $3.75 on a mower, $4 on a reaper, and $9 on a harvester and binder complete. This discrimination expressed in figures—that is to say, the aggregate amount in dollars of the difference between the maximum and minimum tax now laid by France upon harvesting machines of the kind and to the number which we now annually export to that country—approximates $40,000. In view of the immense volume of American imports of this kind of goods into France, the grand total equivalent of this discrimination in a given year, if extended into figures, would become startling. The English and German makers, under this large discrimination in their favor, have already seriously impaired our trade in certain machines, noticeably in hay tedders and horserakes. Moreover, the customs commission of the Chamber of Deputies of the French Government has recently proposed not only an increase of duty on our make of goods, but a still heavier discrimination against American makers. The proposed new schedules impose a maximum tax of 20 francs and a minimum tax of 10 francs on machines weighing 400 kilos or less, with 16 francs maximum and 8 francs minimum on machines weighing more than 400 kilos. If this proposition becomes law, the comparative result, as far as this company is concerned, will be as indicated in the two following schedules:

SCHEDULE 1.

Approximate present maximum tax, approximate proposed maximum tax, and consequent increase, expressed in dollars, upon our line of harvesting machinery.

Name of machine.	Present tax.	Proposed tax.	Increase.
Rakes	$5.18	$6.91	$1.73
Tedders	7.78	10.33	2.55
Mowers	9.26	12.35	3.09
Reapers	10.70	14.21	3.51
Harvesters and binders	24.18	26.34	2.16

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SCHEDULE 2.

Difference between maximum and minimum French impost under present tariff, expressed in dollars:

Rakes	2.06
Tedders	3.11
Mowers	3.75
Reapers	4.00
Harvesters and binders	9.67

Difference between maximum and minimum French impost under proposed new tariff, expressed in dollars:

Rakes	3.46
Tedders	5.17
Mowers	6.18
Reapers	6.70
Harvesters and binders	13.18

Basing our conclusion upon past experience, and fortified by the positively expressed convictions upon the point of our friends on the other side, we have not the slightest doubt that if the proposed new French tariff law in this respect shall be adopted the maximum impost will invariably be levied against American-made products. So that already seriously handicapped by the present discrimination in favor of certain of our competitors, we are confronted both with an increased burden by reason of the threatened additional impost and with a still wider discrimination against us in favor of our competitors.

From the foregoing schedules it will be observed that while in the case of the harvester and binder, which is our heaviest machine, the increase of the proposed maximum tax over the present maximum amounts to $2.16, the difference between the proposed maximum and minimum tax on the same machine is increased by $3.51 over the present difference; while in the case of all the other machines the difference between the proposed maximum and minimum, although larger than at present, does not quite reflect the amount of the proposed maximum increase. But it is in the case of our heaviest machines that we are now finding our sharpest competition; and if the existing discrimination against us is to be still further increased the result will be disastrous to our trade. Only by a lessening of cost through reduction of wages would it apparently be possible for us to meet the competition of England, Germany, and Canada, where a lower scale of wages obtains.

We include Canada among the competitors last referred to, for the reason that there is now pending between Canada and the Republic of France a commercial treaty, already, as we are advised, approved by both nations and only awaiting the action of the French Senate to become operative. It appears probable that this treaty will be confirmed in time for Canadian manufacturers to benefit by its provisions during the business season of the current year. Under that treaty Canadian harvesting machines get the benefit of the minimum tariff rates, and incidentally, of course, would still further benefit by the reduced minimum rate under the proposed new French tariff law above referred to. The International Harvester Company, a corporation formed by five of the theretofore leading independent manufacturers of harvesting machines, has already gone across the boundary and established a manufacturing plant in Canada; and the same

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corportion, in anticipation, as we suppose, of the impending additional tariff hardships under the French law, has, it is reported, embarked upon the establishment of a manufacturing plant in France.

As a result of all this it should be unnecessary to argue that the few remaining independent makers of harvesting machinery in the United States will be sadly handicapped in struggling for even a retention of their present French trade without any regard to such natural increase thereof as might ordinarily be expected as time passes. And in the absence of any other suggestion of possible relief we can only urge serious consideration of reciprocal trade agreements between France and the United States, whereby this country, also under the operation of what might be called a dual tariff, providing for maximum and minimum rates, might afford to our own manufacturers the same commercial advantages now or to be enjoyed by Great Britain, Canada, and Germany.

There can be no reasonable doubt that the proposal of the French parliamentary committee has been framed especially as an aggressive measure against American exports into France, and it so is considered by the American Chamber of Commerce in Paris. In an introduction to an article on the tariff, M. Viger, chairman of the committee on customs of the French Senate, declares "The minimum tariff should continue to comprise all articles of our national production, with such compensating rates as may be required by a legitimate protection; but the general tariff should comprise, in addition, certain special rates directed solely against particular manifestations of foreign production and establishing for our negotiations precious elements for discussion and for the exchange of favors."

Inasmuch as the United States is now the only commercially important country the importations of which remain subject in most cases to the French maximum tariff, the full significance of the preceding quotation is at once apparent. The proposed change would be sufficient to shut out the importation into France of machines on which the margin of profit is already so small that the increased tariff discrimination would be sufficient to wipe it out altogether. The cable reports indicate that the report of the customs committee is taken as representing the answer of the commercial interests of France to the severe customs regulations of the United States; and unless Congress meets the demonstration by providing something of a similar nature, whereby American manufacturers may also become entitled to the minimum French rates, the trade of the independent manufacturers of harvesting machinery with France is doomed.

With a trade in France approximating one-fourth of our total output of machines, you will appreciate how very anxious we are in regard to this matter, and we therefore urge that you shall not fail to bring the facts to the early attention of the proper committee, in order that this particular phase of the tariff question should not be lost sight of while the whole subject of tariff revision is under consideration. We shall, of course, be glad at any time to furnish additional facts or figures, either in the form of a printed memorandum or by personal attendance, if the latter should be deemed advisable.

Respectfully, yours,

DANFORTH GEER, *President*,
Walter A. Wood Mowing and Reaping Machine Co.

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INHERITANCE TAX.

FRANCIS N. THOMPSON, OF GREENFIELD, MASS., REGISTER OF PROBATE, OFFERS SUGGESTIONS REGARDING THE WORKINGS OF AN INHERITANCE TAX.

GREENFIELD, MASS., *March 9, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Having had in this office experience with the inheritance tax since the first law of the sort in this State (in 1891) was enacted, I was called to meet the committee of the 1907 legislature who drafted the present state law (acts of 1907, c. 563). The suggestions that I made were adopted, and as some of them are the result of trying in this State for several years each two opposite methods, I hope you will consider them, if not too late for any suggestions.

Practically, the tax is paid by the beneficiary, to whom it makes no difference how great is the estate from which his share is taken. The tax should be upon the share and not upon the amount of the total estate. Massachusetts tried (1891 to 1901) exempting all estates of under $10,000, with very inequitable results.

There should be an exemption for small shares ($500 in Massachusetts by acts of 1895 and 1896 and $1,000 by act of 1907). I suppose that the United States exemption would be larger, so that the great estates, unless much divided, may bear the bulk of the tax.

The tax should be graduated both as to relationship and as to the value of share, as was the late United States inheritance tax and the present Massachusetts inheritance tax, and I wish to call to your attention the classification made by the present Massachusetts law.

Any attempt to exempt from taxation the right to inherit any particular kind of property provides a method by which beneficiaries who are exempt from the law may be paid off with property which would otherwise be taxable, while the sort of property that is not taxable may be used to pay off the beneficiaries who would otherwise have to pay a tax on their shares, as might be shown by example.

The increasing practice of raising state revenue by such a tax is naturally greatly increasing double taxation, and a national law will still further diminish the beneficiaries' shares. A substitution of a national law for the numerous state laws would greatly simplify the matter and abolish the double taxation; but this is impossible, and still other States will soon resort to this form of raising revenue.

On the theory that property of a decedent reverts to the sovereign State, and that the sovereign in permitting the heir or legatee to take the whole, minus only a percentage, merely retains a part of what is all its own, the state inheritance tax for revenue is justifiable.

A national inheritance tax does not have this justification, though doubtless lawful, and does have the serious objection noted just above.

Yours, truly,

FRANCIS N. THOMPSON,
Register of Probate, County of Franklin, Mass.

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